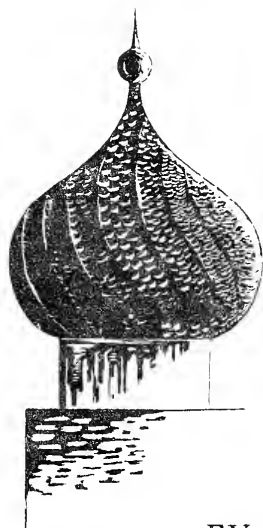



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RECOGNITION OF
SOVIET RUSSIA

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THE HANDBOOK SERIES

SERIES IV

VOLUME 3

SELECTED ARTICLES ON
RECOGNITION OF
SOVIET RUSSIA

COMPILED BY

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PREFACE

Since the beginning of the Soviet government of Russia the question of recognition by the United States has never ceased to be an important issue for our Department of State. For fourteen years the subject has intermittently been of wide public interest but there was never a time when this problem was as important from the standpoint of American foreign trade and world relationships as it is at present. With American exports dwindling and the number of unemployed increasing, it is well to consider whether it is worth our while to sacrifice an important and, in some instances, a major consumer of our manufactured goods to our notions of economic and political organization.

The issues involved in the recognition of Soviet Russia by the United States have not materially changed since 1917, yet in the meantime the world has witnessed a tremendous spectacle, namely the transformation of a backward, agricultural country into a dynamic, forward-striving, industrial land proposing to expend one billion dollars on the world market in the next three or four years, and already spending one hundred and fifty million per annum in the United States alone for machinery and material necessary to its growth and development. It is well in this connection to ask whether the United States can increase or even retain the trade of Soviet Russia in spite of our diplomatic policy toward that country, and whether the Soviet Union might not, under these circumstances, consider the proposals of other countries and transfer its orders to Europe, where they will not be so much hampered by diplomatic obstacles.

The literature on Soviet Russia has assumed gigantic proportions, and careful discrimination was necessary in

the compilation of this work to separate the chaff from the grain. Books have been published on all phases of Russian life including that of recognition, some by experienced, fair investigators; some by propagandists on one side or the other; and others by persons with little understanding and insight, with scant knowledge of Russia's past and its remarkable development since the Revolution. However, the unusual volume of literature on the subject has kept Russia and the question of recognition before the public eye.

This number of The Handbook Series is a cooperative undertaking. However, each author was responsible for a definite task. The Introductory Analysis was written by Dr. B. W. Maxwell of the Department of History and Political Science, Washburn College; the reprinted material was selected and the brief prepared by E. C. Buehler, Director of Forensics, University of Kansas; and the Bibliography was compiled by George R. R. Pflaum, Associate Professor of the Department of Speech, Kansas State Teachers College, Emporia.

The authors do not lay claim to have produced a work of original research, but have drawn liberally on many writers and publicists and have used periodicals too numerous to mention here by name. Special acknowledgment is due to H. B. Chubb of the Department of Political Science of the University of Kansas for his helpful criticisms and suggestions in the preparation of the briefs.

E. C. BUEHLER, Lawrence, Kansas
B. W. MAXWELL, Topeka, Kansas
G. R. R. PFLAUM, Emporia, Kansas

October, 1931

INTRODUCTORY ANALYSIS

B. W. Maxwell, Ph. D.¹

To the average American reader, Russia before the Revolution of 1917 was an undiscovered land occasionally brought to his attention by periodical news of bloodshed, oppression, and revolt. Since the Revolution and the coming of the Bolsheviks, the American mind has been confused with contradictory and frequently quite misleading reports of cruel happenings, famine, and terror. It is the purpose of this analysis to bring to the reader interested in International Relations an evaluation of pros and cons incident to the question of recognition of the Soviet Government by the United States. It is hoped the presentation of these essential facts will clear the way to a better understanding of this mysterious land of the Soviets, and at the same time help to bring about an intelligent public discussion on the weighty problem of recognition.

RUSSIA BEFORE THE WORLD WAR

On the eve of the World War the Russian Empire covered a vast area reaching from the Arctic Ocean to the Black and Caspian seas and from the Baltic to the Pacific oceans. Its topography, natural resources, climate and people were, to say the least, of a most divergent character. To be sure, of the one hundred and seventy-five million people, one hundred and fifteen million belonged to the dominant Russian race, the rest of the population was divided up into a multiplicity of races. However, the watchword of the government was "one law, one language, and one religion"—a policy which naturally resulted in persecution and oppression of strong minorities.

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The social structure of Russia till 1917 was based on a medieval, barbaric foundation built by the Muscovite dukes and followed by the Romanov dynasty. A powerful, arrogant, and irresponsible military and landed aristocracy was designated to administer the affairs of the state in the name of the autocrat of all the Russias. The majority of the population, in fact 85 per cent, lived under a most oppressive serfdom, which was not eliminated in practice even after the historic emancipation proclamation issued in 1861 by Alexander II.

To crown it all, an ignorant and superstitious clergy, ever ready to be a tool in the hands of the despotic government kept the people in ignorance and darkness. The small middle class and intellectuals were ever harassed and persecuted. All western European ideas were frowned upon by those in authority. The industrial revolution which penetrated Russia at a very late date did, however, create a class of skilled workers who, under the tutelage of the persecuted, yet idealistic professional and intellectual classes, were able eventually to overthrow the most outrageous tyranny of modern times. The governmental system of pre-revolutionary Russia may be briefly summarized as follows:

At the head of the Empire stood the Emperor who in spite of the constitution forced from him by the Revolution of October, 1905, still designated himself as the "Autocrat of all Russias." All legislative, executive, and judicial authority of the state was concentrated largely in his hand. The ministers which the Emperor appointed were solely responsible to him. Frequently the most intimate advisers of the Tsar were charlatans typified by a profligate Monk Rasputin, whose evil influence on the ruler and his consort hastened the downfall of the autocratic government. The elective Duma (Parliament) for which the Constitution of 1905 provided was consistently dissolved as soon as it showed any critical attitude towards the autocracy. Eventually its competence

was so changed and the precious little authority it was given originally was so curtailed by successive fundamental laws that it became merely an "assenting" body to follow out the precept that the "Emperor of all the Russias wields the supreme autocratic power. To obey his authority, not only thru fear but for the sake of conscience, is ordered by God himself." Thus the decade of constitutional government in Russia preceding the Revolution of 1917 was merely a name; the old autocracy was carrying on. The tragedy of Russia is that it has never possessed an intelligent ruling class. The liberal parties in the Duma could not "bridge the gap" between the revolutionaries and reactionaries. The reactionary faction knew only one way of governing—"force"—and that it applied with a mailed fist. The revolutionaries went underground, from which they were to emerge and wrest the power from the autocratic government. On the eve of the War, Russia found herself back in the clutches of autocracy. The hopes raised by the manifesto of 1905 had long since turned into ashes. There was a general disillusionment. The young intellectual, tired and disappointed, turned to excesses, as pictured by the contemporary Russian literature. All opposition had been driven underground or abroad. Reaction was riding high and mighty. Yet there was a seething undercurrent of courageous men and women who continued to struggle, and on the very threshold of the outbreak of war there were indications that an upheaval would break out that would sweep the old order even to its foundation. The outbreak of the war, however, deferred the struggle. Amidst great enthusiasm the people rushed to arms; old animosities were forgotten. It appeared as if a victorious war would restore the prestige of the Tsar. But the stupidity of autocracy was not exhausted, as coming events proved; it signed its own death warrant by inaction and outrageous speculation and cruelty.

The Duma frantically called for action, begging for the retirement of the reactionary minority and the introduction of a responsible cabinet. The only answer was the retirement of the senile reactionary prime minister, Goremykin, and the appointment of a favorite of the empress and a tool of the mad Monk Rasputin, Stuermer. The destinies of a great nation were thus put into the hands of charlatans and sycophants. In the face of this extreme danger even honest reactionaries and moderates united with liberals and socialists in their demand for action. The peasantry and workers, half starving, suffering unspeakable deprivation, stood behind the efforts of the Duma, but "whom the gods want to destroy, they first make mad"; instead of bread the government gave the people stones. Graft, speculation were merrily going on. At last the century-long forbearance of the people was gone, and the black clouds which threatened for a long time suddenly broke out in tempestuous fury of social revolution.

THE PROVISIONAL GOVERNMENT

In vain did members of the Imperial family implore the Tsar to heed the voice of the country and establish a responsible government. Instead, the Emperor under the influence of his consort prorogued the Duma, but the days of unquestioned obedience were over and the Parliament refused to obey the royal command. In the meantime the mighty force of popular resentment broke out. The parliamentary leaders, however, were acting with extreme caution. Altho constituting themselves into a "Provisional Committee of the Duma," they were not as yet certain whether to join the masses or make a last appeal to the Tsar, but the time for cautious action was over, and even before the abdication of the Tsar was asked, a provisional government was formed. Within five historic March days of 1917 all vestige of the rotting edifice of the autocracy disappeared. The

provisional government consisted mostly of conservative-liberal elements and one moderate Socialist, Kerensky, but as the pendulum of social revolution was swinging to the left, the more conservative elements dropped out, and Kerensky became the outstanding leader of the hour.

The five months which elapsed between the overthrow of the autocracy in March and the victory of Bolshevism in November illustrate the vain efforts of a liberal government, devoid of popular support, unable to muster an armed force, to check by eloquence and parliamentary tactics the mighty onslaught of revolutionary forces propelled by millions of enthusiastic people. The army had disintegrated; no officer's life was safe at the front or in the garrison. The peasants, expressing an ancient desire to right the wrongs done them for centuries, seized the landlords' lands, driving the latter from their estates. The workers in the cities became increasingly radical and listened to the voice of the Bolsheviks, who were waiting for an opportunity to seize the government. The proletariat were rushing to join the ranks of the Red Guard, a revolutionary fighting unit, demanding complete control over industry and frequently driving owners and managers from factories. The non-Russian nationalities, so long oppressed by the autocracy, demanded reparation. It is erroneous, however, to ascribe all these movements to the agitation of the Bolsheviks under the leadership of Lenin who had just returned from exile in Switzerland. To be sure the Bolsheviks demanded immediate peace, a transfer of all political power to the Soviets, a transfer of all lands of the landlords to the peasants, and freedom for the non-Russian elements, but these demands were in the nature of things, part and parcel of hundreds of years of autocratic oppression, and no group of agitators could have persuaded millions to join them in their demands. It was merely an articulate expression of inarticulate woes and wretchedness of millions living under a cruel

economic and political tyranny. In short, the tendency was to the left. The people were demanding action, so that in July, 1917, the Bolshevik party was involved against its better judgment in a disorderly riot of Petrograd workers and some local regiments, but even the weak provisional government was able to suppress this planless and unorganized uprising. In September of the same year General Kornilov, the commander-in-chief of the army, upon the instigation of some of the reactionary leaders of the Duma, attempted to establish a military dictatorship; this unsuccessful coup resulted in a decided swing toward the left, and the Soviets, which were under the leadership of the more moderate wing of the Socialist party, came under the influence of the Bolsheviks.

It becomes necessary at this point to explain the significance and meaning of the term Soviet. The word Soviet means in Russian "council." The Petrograd Soviet, which was the most important at this point of Russian revolutionary development was a "spontaneously organized body of about two thousand delegates elected in various ways by factory workers, peasants, and revolutionary military units. Soon a 'soviet' came to mean a revolutionary assembly for discussion and action thruout Russia." Presently soviets were organized in factories and at the front, and represented various political groups, but chiefly the "left" parties made up of Constitutional Democrats, Social Revolutionaries, Mensheviks (Minority Socialists), and Bolsheviks (Majority Socialists). The Constitutional Democrats, with the increase of revolutionary fervor, became insignificant in influence. The Bolsheviks at first constituted a minority of the membership, the Mensheviks and Social Revolutionaries in most cases dominating in membership. In the course of the Revolution, the Petrograd Soviet, being near the center of activity, served as the leader. Eventually out of these local bodies developed larger Soviets, district, provincial, etc. to which representatives were elected from the lower soviets. This chain of soviets gradually

culminated in the All-Russian Congress of Soviets and later in the All-Union Congress of Soviets.²

With every show of weakness on the part of the provisional government, the Bolsheviks gathered necessary strength in numbers and influence, and on October 23, the Central Committee of the Bolshevik party under the urging of Lenin, who was then in hiding, resolved to rise in armed rebellion. On November 6 and 7, the Bolsheviks, supported by armed workers, sailors, and sympathizing elements in the local garrison, were successful in driving out the provisional government and presented a *fait accompli* to the Congress of Soviets then meeting in Petrograd and composed of a majority of Bolshevik members. The other centers of the country followed the stampede of Petrograd. The victorious faction, now the new government, designated itself as a Council of Peoples Commissars, and proceeded at once to issue three decrees: (1) proposing immediate peace to all belligerent countries; (2) declaring landlord property in land abolished forever, and proclaiming all land the property of the state to be used by peasants on a basis of personal labor; (3) establishing workers' committees in all industrial plants.

The provisional government fell because it was weak and was not representing the tendencies of the time. It attempted to straddle the old and the new, but Russia was tired of the old. Furthermore, it was impossible to transform overnight, as it were, millions of people who had lived for centuries in political serfdom into a democracy patterned after Western European and American models. The Bolsheviks on the other hand proceeded to promise the things the great masses intensely desired: namely peace, bread, and economic equality.³ Whether all the promises were carried out is another story and unfortunately cannot be elaborated on in this short sketch.

² *New Governments of Eastern Europe.* p. 42.

³ Chamberlin. *Soviet Russia.* p. 28-30.

The new government did not find its course a path of roses; from the start it was considered a pariah by all other countries of the world. Russia's conclusion of separate peace with Germany at Brest-Litovsk aggravated the situation. Then, by a series of decrees the new régime nationalized property and repudiated all debts, and thus placed itself outside the pale of the "Family" of Nations. Fortunately for the Bolsheviks the Allies at that time were too busy with the Central Powers to intervene actively in their affairs, but in 1918 Allied troops invaded the ports of Archangel, Vladivostok, and Baku. When civil war broke out in the new Soviet State, the Allies and the United States actively supported the White Armies (Anti-Bolshevik), sending munitions and technical aid and at the same time inaugurated and maintained a strict blockade against Soviet Russia.

The summer of 1918 was a dark period for the Soviet government. The territory of Soviet Russia was reduced to a few wretched provinces around Petrograd and Moscow, and ruin seemed to be inevitable, but a most self-sacrificing display of heroism and energy saved the new government. The collapse of the Central Powers and the development of a strong Red Army under Trotsky leadership gave the Soviets new hope. Southern Russia was cleared from German and Anti-Bolshevik forces. In the fall of 1919 the Soviet forces again were facing a critical situation; the White General Denikin was within two hundred miles of Moscow and General Yudenitch, another opponent, was at the gates of Petrograd, but the Whites were defeated during the fall and winter of 1919. Before the Soviets could draw a free breath, the Poles declared war, but in 1920 the "Reds," after driving out the Poles from Southern Russia, which they had invaded, almost reached the gates of Warsaw. The Poles, however, with the help of French military leadership defeated the Bolshevik armies who were compelled to retreat. Very soon after this disaster, the Bol-

sheviks succeeded in defeating the last White Army under Baron Wrangel, and thus became complete masters of the Russian land.

The Whites were defeated because the majority of the population preferred the vicissitudes of Bolshevism to the evils of the old regime which the Whites invariably re-established whenever they occupied a stretch of territory. In justice to the Bolsheviks or Communists, as they began to call themselves in 1918, it must be said that the party organization was one of the marvels of history. Every member was at the disposition of the Central Committee; picked groups were sent to the most dangerous part of the front, and these groups gave nor received quarter. Whenever a city or district was evacuated, a small group of Communists was left behind to carry on a dangerous underground propaganda. In the year 1920-1921 the Soviet government found itself in a precarious condition in spite of military victories. The World War disorganized industry and transport, and the civil war with its destructive results, blockade and the desertion and sabotage of administrative and technical personnel of factories, the separation of the industrial centers of northern and central Russia from sources of supply of raw materials and food in the south and east brought ghastly results. Production was reduced from 15 to 20 per cent of the pre-war level. Workers left the cities for the country to obtain food, but even agriculture sank to a low level of productivity and in many districts the peasants rose in armed revolt against requisitions of food products which were to feed the starving cities. In the face of these seemingly insurmountable difficulties, the Communists decided to beat a tactical retreat. In March, 1921, Lenin presented to the Tenth Communist Party Congress an emergency program which became known as the New Economic Policy. Under this plan taxation was substituted for requisition of peasants' surplus products. The ban on selling the

surplus products was taken off, a measure which encouraged the peasantry to increase production. This served to bring about a revival of the deserted cities and broken-down industries. The state management and operation of the land's industries and transport facilities were retained. The entire system of exchange of manufactured goods for food thru the agency of the State was reorganized. The system of money and banking and other capitalistic technical usages, which were largely given up at the period of militant communism, were again put into operation under the new policy. At this time, to fill the cup of bitterness of the Russian people, a dreadful drought came upon the land which was devastated by seven years of war and revolution, and the worst famine in the history of Russia resulted in the fall and winter of 1921-1922. Nearly two million people perished of starvation. Thanks to the American Relief Administration and other foreign relief organizations, an even greater destruction of human life was averted. The sun, however, was breaking thru the black clouds; the attacks of foreign countries were stopped, the counter-revolutionary movements were crushed, order and peace were restored, and Russia began in earnest to build a new order upon the ruins of the old in accordance with Communistic principles.⁴

A SUMMARY OF TEN YEARS OF RUSSIAN ECONOMIC AND SOCIAL LIFE UNDER THE SOVIETS

It is impossible in the space allotted to this introduction to give an adequate survey of vicissitudes, mistakes, failures, and successes of Russia in the last decade, hence only a brief summary will be attempted. The Soviet Union is a Socialist Workers Republic, but in using the word "socialist" one must guard against misconceptions. In every European country these political parties which have for their goal schemes for substitution of public for

⁴ Chamberlin. *Soviet Russia*. p. 35, 36. A general treatment on the old and new Russian governments may be found in Graham's *New Governments of Eastern Europe*. ch. I-V.

private ownership of production, are designated socialistic, but the world's economy is still largely rooted in the capitalistic soil. In Russia of the autocracy there was a vestige of capitalism imported from western Europe, but based upon a backward semi-Asiatic despotism and made to fit the feudal and patriarchal social order of a Medieval State. When the Bolsheviki came into power, they, unlike the formal, socialistic governments of Germany, Austria, Sweden or Great Britain, did not proceed cautiously, hoping to bring about a socialistic régime in a long process of evolution, but swept away the old order completely. The Soviet economic system is Marxian, or rather Marxian as interpreted by Lenin. This system calls for an absolute elimination of private profit from all economic activity, and substitution of state for private operation of most, and eventually all, of the country's commerce and industry. In 1929 only about 2 per cent of industrial production was in private hands, 90 per cent was directly under the control of the state and 7 to 8 per cent was under the managership of consumers cooperatives. In short every phase of economic life is practically under public control. There are no legitimate profits accruing to any private person from state and cooperative enterprises. The acquisition of large personal fortunes under this system becomes a practical impossibility. The so-called Nepmen, or private merchants authorized under the new economic policy, may have accumulated money thru fortunate trading, but they constitute numerically an insignificant class who are constantly harassed and taxed out of existence and are gradually vanishing entirely. To be sure the millions of peasant householders still constitute to a certain extent the remains of the capitalistic system, but at this writing over 40 per cent of the peasant householders have been enticed by fair or foul means into collectives, and the indications are that in a few years the individual worker of the soil will disappear in the socialization scheme as outlined by the five-year plan.

Artisans such as blacksmiths, tailors, cobblers, etc. are being organized into cooperatives. The greatest part of Soviet economy is managed by an All Union Supreme Economic Council, which to all intents and purposes is a state department for industry. Every large industry is divided into trusts which manage directly a number of factories and mines grouped together in larger or smaller units on a regional basis in accordance with the need of that particular territory. The managing boards are appointed and removed by the All-Union Supreme Economic Council. Industrial enterprises of a local character are under the jurisdiction of Economic Councils of the several constituent republics of the Union and in some instances under provisional economic councils. The trust boards have authority to appoint and remove managers of individual plants. This must be done, however, on consultation with trade unions of the respective industry. The profit of a given industry is divided between the state treasury and the industry itself after all fixed charges, taxes, and allowance for amortization have been met. The trusts dispose of their products and obtain their supplies thru syndicates such as textile syndicates, which serve all the trusts of a designated trust. In order to eliminate excessive competition these syndicates are again united in a Union of Syndicates. Considerable latitude is allowed the various industries by the Supreme Economic Council for the purpose of harmonizing with other phases of economic life.

Side by side with the above organization stands the Gosplan or State Planning Commission. The task of this institution is estimating future economic development for each new business year and for successive five-year periods. In the charts of this organization may be found a forecast as to the future population, the amount of coal to be mined, the number of houses to be built, the tons of grain to be contracted for by the state. This work is accomplished by agents stationed thruout the

country who collect information; in addition the State Planning Commission has access to proposed plans of the Supreme Economic Council and subordinate bodies. The Gosplan then constructs its one and five-year plans which are submitted to the Council of Labor and Defense, a sort of an economic cabinet, upon approval of which the projects are ordered to be carried out. The Soviet government in accordance with the above described method set out in 1928 upon a five-year consciously planned industrial development. At first it met with the jeers and derision of the civilized world and later on it inspired fear that the Soviets would destroy the world market by dumping, which is as yet a mooted question and will be analyzed presently. A brief sketch of the five year plan might serve to clear up some obscure points.

The five-year plan calls for an increase in production in 1932-1933 of 2.67 times the figures for 1927-1928. It is expected that the heavy industry will more than treble and the light industry more than double production during that period; the basic capital of industry will increase from 9,700,000,000 rubles to 23,366,000,000 rubles; cost of production will be reduced by 32 per cent; wages will increase 35.6 per cent as measured in money and 52 per cent in real wages, due to the proposed reduction of living cost; the productivity of labor will increase 95 per cent. It is hoped now by communists in the Soviet Union that the plan will be fulfilled in four instead of five years, as borne out by the fact that between 1929 and 1930 the increase has exceeded the planned ratio. The purpose of the plan of course is a rapid industrialization of a backward agricultural country.⁵

Now as to the menace of the five-year plan to the capitalistic world. It is well known that the standard of living of the Russian masses was and still is one of the lowest in the civilized world. The Bolshevik leaders

⁵ Chamberlin. *Soviet Russia*. ch. VI.

recognize it, as deduced from a speech delivered by Valery Mezhlauk, Vice Chairman of Supreme Economic Council, before the American-Russian Chamber of Commerce on January 30, 1931. "The basic economic principle of the Soviet Union is the stimulation of purchasing power of the population. The domestic market is constantly growing and the demand of the population for goods has for several years been much greater than the supply. Therefore, the Soviet Union is basing its future economic development solely on the domestic market, which for all practical purposes is unlimited." Continuing he said: "Indeed, it seems strange to speak of over-production in a world of which at least one-half of the population still has an extremely low standard of living. The Asiatic countries and the Soviet Union alone could consume many times the present surplus of goods in the world if the problem of finding a way of opening these markets to foreign products were solved."⁶ In a speech delivered by Peter A. Bogdanov, Chairman of the Board of Directors of the Amtorg Trading Corporation on December 8, 1930, before the Detroit City Club he gave the following concrete figures as to trade between the United States and the Soviet Union: "In the fiscal year ending September 30, 1930, Soviet trade with the United States was more than four times the pre-war volume; Soviet Union's purchase of American products amounted to \$150,000,000, 39 per cent more than in the previous year, and three times the figure of five years ago. The share of the Soviet Union in American exports, according to the Department of Commerce figures, doubled in 1930 as compared with the preceding year. In the first nine months of 1930, of the thirty-eight countries listed, the Soviet Union was the only one to import more goods from the United States than in 1929. While the total American exports declined 30 per cent, those to the Soviet Union increased 72 per cent. Out of every three tractors exported from the United States this year, the Soviet

⁶ As quoted in Louis Fischer's *Why Recognize Russia?* p. 14-15.

Union took two. The total purchase of agricultural machinery was in excess of \$67,000,000. The total purchase of industrial and power plant equipment in the past year was \$50,000,000. It is estimated that in 1930, 50,000 workers were directly employed in this country on Soviet purchases. On the other hand, the Soviet sales during the fiscal year of 1929-1930 amounted to \$31,017,000, or about one-fifth as much as purchases here for the Soviet Union, which amounts to much less than 1 per cent of the total American imports; moreover, most of the imports were raw materials, or foodstuffs which the United States produces in insufficient quantities for domestic needs. The balance of trade in favor of the United States in 1929-1930 was \$118,000,000. During the past seven years the balance in favor of the United States amounted to \$450,000,000; if to this be added payment for shipping freight in American bottoms, expenditures for technical assistance, etc., the balance in favor of this country will be close to \$500,000,000.

"In the production of wheat the Soviet Union is a competitor of the United States. Before the war Russia exported as much as ten to twelve million tons of grain per year. During the World War and for many years after, Russia was unable to export grain. In recent years, altho production has been practically equal to that before the war, grain could not be exported because of the great increase in the domestic demand. At the present time the Soviet grain production leaves a surplus for exports, but as yet the exports do not amount to more than a fraction of the pre-war figure. Of course such an important grain producing country as the Soviet Union could not be kept permanently away from the world market. In general there is no doubt that the Soviet Union is anxious to obtain as high prices as possible for that which it exports.⁷

⁷ For the complete speech, see address by Peter A. Bogdanov at the luncheon of Detroit City Club, Hotel Statler, December 8, 1930.

Before proceeding to discuss the question for and against recognition by the United States, it is advisable for clearness' sake to sketch the diplomatic relations between the United States and the Soviet Union in the last thirteen years.

On March 12, 1917, the provisional government seized the governmental authority and on March 15 forced the Tsar to abdicate. Within five days the United States recognized the new government. At that time the new régime was very far from exercising control over the country; in fact its stability was very doubtful. However, most of the Allied and Associated Powers hastened to assist the new government by recognition and material help. Unfortunately this action could not save the Provisional government, and on November 7, 1917, the Bolsheviki were able with very little effort to overthrow the government by an almost bloodless coup. The Bolsheviki came into power with the consciousness that they were going to stay, but this was contrary to the opinion of the United States Department of State and the Russian Embassy in Washington, who were certain that the Soviets would be of short duration. Boris Bakhmetev, the ambassador of the Provisional government at Washington, remained at his post exercising the office of a diplomatic agent of a now defunct government. Mr. Francis, the United States ambassador, remained in Petrograd and tho disapproving of the new government, nevertheless opened communication with the Soviet authorities. During the entire month of December, 1917, Col. Raymond Robins, Chief of the Red Cross Mission in Russia, was commissioned verbally by the American Ambassador to confer with Lenin and Trotsky and other officials of the Soviet government, attempting to prevent the signing of a German peace at Brest-Litovsk. The Communists in the meantime appealed to all belligerent powers to begin armistice negotiations with a view to ultimate cessation of hostilities on all fronts. The Bolsheviki

frankly regarded the World War as imperialistic and were pledged by their party principles and promises to withdraw from it and had no scruples as to a separate peace; yet, as a matter of fact, even before their coup the Russian Army had ceased to exist. Kerensky stated in May, 1917: "Long before the destruction of the Tsarist régime, the army at the front had developed acute indications of disintegration. By January, 1917, more than a million deserters were roaming about in the rear of the army. In the first weeks of the March Revolution the Russian Army ceased to exist as a fighting force."⁸ A number of foreign observers were of the same opinion. In spite of this condition, Allied and American representatives were hard at work to dissuade the Bolsheviks from concluding a separate peace. The Russo-German negotiations at Brest-Litovsk were characterized by stormy sessions due to the unreasonable and arrogant demands on the part of imperial Germany. The terms were so humiliating that Trotsky declared that there shall be "no war but no peace." The Germans proceeded to invade Soviet territory with a view to capturing Petrograd. In the councils of the Communist Party the negotiations brought dissensions which resulted in resignations of important members from the Central Committee. Lenin, however, insisted that peace must be signed and one time threatened to resign unless this was done. The ratification was then proposed under terrific pressure and many foreigners still hoped against hope that the Bolsheviks might be dissuaded from coming to an understanding with the Germans. Colonel Robins was the leading advocate of friendly relations with the Soviet government. In a suggested communication to the Commissar of Foreign Affairs on January 2, 1918, which was initiated by Ambassador Francis and drafted by Colonel Robins, the Soviet government was informed that "At the hour the Russian people shall

⁸ *New York Times*. May 22, 1927.

require assistance from the United States to repel the actions of Germany and her allies, you may be assured that I will recommend to the American Government that it render them all aid and assistance within its power. I may add, however, that if Russian armies now under command of the people's commissaires commence and seriously conduct hostilities against Germany and her allies I will recommend to my government the formal recognition of the *de facto* government of the people's commissaires." In addition, a communication was drafted to be sent to Washington informing the State Department that negotiations at Brest-Litovsk were stopped and recommend aid. Neither of these messages was sent but they nevertheless indicate that Francis and Robins did not at all think recognition impossible. Another attempt was made to keep the Russian Army in the trenches by giving the now famous Wilson fourteen points wide publicity in Russia. The Bolsheviks themselves placarded the walls of Petrograd with their pronouncements, but peace with Germany was signed on March 3, 1918. The terms were such as dictated by the German high command. It still had to be ratified by the highest governmental authority in Soviet Russia, the All-Russian Congress of Soviets, which met from March 14 to 16 in Moscow. President Wilson took occasion while the Congress was in session to send a message to this body which read as follows: "May I not take advantage of the meeting of the Congress of Soviets to express the sincere sympathy which the people of the United States feel for the Russian people at this moment when the German power has been thrust in to interrupt and turn back the whole struggle for freedom and substitute the wishes of Germany for the purposes of the people of Russia? Altho the government of the United States is unhappily not in a position to render the direct and effective aid it would wish to render, I beg to assure the people of Russia thru the Congress that it will avail itself of every opportunity to secure for Russia once more complete sov-

ereignty and independence in her own affairs and full restoration to her great role in the life of Europe and the modern world. The whole heart of the people of the United States is with the people of Russia in the attempt to free themselves forever from autocratic government and become masters of their own life.⁹

It is interesting to note that such a message from one head of a state to another may be considered under international law a *de facto* and even a *de jure* recognition. The American Congress passed a resolution thanking the President for the message sent to the Congress of Soviets.

With the approval of the State Department, Ambassador Francis, thru his intermediary, Colonel Robins, an American official, kept in the meanwhile in continuous intercourse with the Soviet government. The other Allied Powers were divided in their attitude, some of them advocating military intervention, others urging understanding with the Bolsheviks. At one time the United States actually considered rendering active assistance in the organization of the Soviet army, and transactions to buy platinum by the American government for the manufacture of munitions was actually carried out. It appeared for a while that the United States was seriously contemplating *de facto* recognition for the sake of defeating Germany, but the Bolsheviks, it appeared, were not willing to take sides for or against Germany. Thus in April intervention began, and by June the Allies landed expeditionary forces in Northern Russia, followed in August by American troops in Siberia. There was no Declaration of War.

THE VERSAILLES PEACE CONFERENCE

At the height of the civil war in Russia the peace conference convened in Paris. Upon President Wilson's arrival in Paris in December, 1918, Maxim Litvinov made

⁹ *Current History*. 8:pt.1:49.

an appeal to him for the cessation of fighting in Russia. In June of the same year Lenin appointed Litvinov Soviet ambassador to the United States, and altho Litvinov was refused an American visa he nevertheless kept on urging the President by wire from Stockholm to come to an understanding with the Soviet government, to withdraw the foreign troops from Russian territory, and to raise the economic blockade. President Wilson was duly impressed and sent Mr. W. H. Buckley for a conference with Litvinov, who made some definite proposals to Buckley which Buckley wired to the President. The result was speedy action. The various foreign offices decided to invite representatives of all Russian factions to Paris after they had called a truce for the duration of the conference. This project of bringing the Bolsheviks to Paris raised violent opposition, hence the conference instructed Wilson to draft a plan for a meeting of all Russian factions somewhere else. The next day Wilson submitted a plan for a meeting on Prinkipo Island. William Allen White was designated to represent the United States. Invitations were sent out to the Russian border secession states, to Kolchak, Denikin, and others, but the Bolsheviks received no invitation. However, the powerful wireless station at Moscow picked up the item of news and thinking they were invited, wired their acceptance. In accepting this doubtful invitation the Soviet government laid down principles as to its policy. It stated that: "The Soviet government does not refuse to recognize its financial obligations to its creditors who are subjects of the Entente Powers." It further declared that: "In view of the difficulties of the Russian Soviet Republic's financial position and its insufficient foreign credits, the Russian Soviet Republic proposes to guarantee the payment of interest on its loans with a definite quantity of raw materials. The Russian Soviet government declares that it is ready, if necessary, to include in the general agreement with the Entente Powers the obligation not to interfere in their internal affairs."

The Prinkipo conference was wrecked upon the refusal of the "Whites" to attend a meeting at which the Bolsheviks were present. Both President Wilson and Lloyd George continued their efforts to come to an amicable understanding with Russia and decided on a direct contact with Russia. To this end Mr. William C. Bullitt was sent to Moscow. Mr. Bullitt arrived in Russia on March 8 and stayed a week, holding several conferences with Lenin, Chicherin, and others. Bullitt was favorably impressed as to the stability of the Bolshevik government, and brought back with him peace proposals, among them a unique suggestion as to debts, which was for the United States to take over all Russia's obligations to the European Powers and in turn for the United States to cancel a corresponding amount of the Allied debts to the United States.¹⁰ Unfortunately Bullitt never had a chance to report to President Wilson; the interview was postponed from day to day and eventually forgotten. Late in 1919 the Soviet Armies crushed the Whites completely and established their authority almost over the entire country. But the end was not to be as yet. In April, 1920, Poland declared war and proceeded to invade Southern Russia. At the height of the Russo-Polish war the Italian ambassador at Washington approached Mr. Colby, Secretary of State, as to his views on the Soviet-Polish affair. Colby answered, laying down a principle which has become the classic attitude of the United States toward Bolshevik Russia. His answer was, in general, that he recoiled from recognizing the Bolshevik regime and the dismemberment of Russia, recommending that all decisions of vital importance to Russia, and in particular those concerning "its sovereignty over the territory of the former Russian Empire be held in abeyance until such time as Russia is no longer helpless in the grip of a non-representative government, whose only sanction is brute force." Colby further averred that "this government is therefore averse to any dealings with the Soviet

¹⁰ See Fischer, Louis. *Why Recognize Russia?* p. 51.

régime beyond the most narrow boundaries to which a discussion of an armistice can be confined. That the present rulers of Russia do not rule by the will or the consent of any considerable proportion of the Russian people is an incontestable fact. Without any desire to interfere in the internal affairs of the Russian people, or to suggest what kind of government they should have, the government of the United States does express the hope that they will soon find a way to set up a government representing their free will and purpose. When that time comes the United States will consider the measures of practical assistance which can be taken to promote the restoration of Russia. It is not possible for the government of the United States to recognize the present rulers of Russia as a government with which the relations common to friendly governments can be maintained. This conviction has nothing to do with any particular political or social structure which the Russian people themselves may see fit to embrace." The Secretary further stated that "they have not the slightest intention of observing their undertaking *vis a vis* foreign powers or of carrying out such agreements, and "they have not only avowed this as a doctrine, but have exemplified it in practice." Mr. Colby then proceeds to show that the Bolshevik government is wholly under the control of the Third International, avowedly an organization working for the promotion of world Communistic revolution.

The Colby note naturally evoked an answer from the Bolsheviks, one from Martens, the unrecognized Soviet diplomatic agent in the United States, the other from Chicherin, which denied most of the statements and added that no government has ever based its foreign relations upon this principle of approval and emphatically repudiated it, and that Moscow in establishing relations with capitalistic countries is not asking them to approve Soviet institutions, nor can the others expect the Bolsheviks to approve theirs. In one point the answer of Chicherin

is very important. After repudiating the various implications, the Commissar for Foreign Affairs stated: "If the Russian government binds itself to abstain from spreading Communist literature, all its representatives abroad are enjoined scrupulously to observe the pledges. The Soviet government clearly understands that the revolutionary movement of the working masses in every country is their own affair. It holds to the principle that Communism cannot be imposed by force but that the fight for Communism in every country must be carried on by its working masses themselves. Seeing that in America and in many other countries the workers have not conquered the powers of government, and are not even convinced of the necessity of their conquest, the Russian Soviet government deems it necessary to establish and faithfully maintain peaceful and friendly relations with the existing governments of those countries. That the elementary economic needs of the peoples of Russia and other countries demand normal relations and an exchange of goods between them is quite clear to the Russian government, and the first condition of such relations is mutual good faith and non-intervention on both parts."¹¹ This attitude did not, however, prevent our State Department from approving the floating of a fifty million dollar loan to Poland who was at war with Russia at that time.

The incoming Harding administration awakened hopes in the Bolsheviks for recognition. In fact several approaches were made by the Soviets but were rebuffed. In the meanwhile American business began to show an interest in Russia. Martens was entering into business deals with American firms in New York. Mr. W. B. Vanderlip bargained with authorities in Moscow for oil, coal, fishing and forest concessions in Kamchatka to amount to three billion dollars. The concession was,

¹¹ See Louis Fischer. *Why Recognize Russia?* p. 53-60; and F. L. Shuman. *American Policy Toward Russia Since 1917.* p. 176.

however, contingent on recognition. Harry F. Sinclair was negotiating for oil lands in Northern Sakhalin. Again this was to be conditioned on recognition. The proposed concession was to include the right to build harbors in Sakhalin where American ships might take in coal and oil. The idea of the Bolsheviks was that common interest against Japan might facilitate matters. Herbert Hoover, then Secretary of Commerce, was not in favor of resumption of trade between the two countries, and answered Litvinov's suggestion for normal business relations in the negative and among other things said that: "Under their (Bolshevik) economic system, no matter how much they moderate it in name, there can be no real return to production in Russia and therefore Russia will have no commodities to export and consequently no great ability to obtain imports. That requires the abandonment of their present economic system." Charles E. Hughes, Secretary of State, practically reiterated the stand of Hoover. Thruout his tenure of office Mr. Hughes remained adamant. To be sure, in the fall of 1922, the United States Ambassador at Berlin, Houghton, "made inquiries with regard to the attitude of the Soviet authorities should this government consider sending to Russia in the future an expert technical commission to study and report on the economic situation there." The Bolsheviks offered to accept on condition that a Soviet Commission be given the same privilege of investigating economic conditions in the United States. Following the death of President Harding, Mr. Coolidge in his first message to Congress on December 6, 1923, said: "Our government offers no objection to the carrying on of commerce with the people of Russia. Our government does not propose, however, to enter into relations with another régime which refuses to recognize the sanctity of international obligations." He further stated that if the debts contracted by the Kerensky government are recognized, and propaganda stopped, and "whenever

there appear works meet for repentance, our country ought to be the first to go to the economic and moral rescue of Russia. We have every desire to help and no desire to injure. We hope the time is near at hand when we can act."

The Soviet government took the President at his word and cabled a conciliatory note stating that it was ready to open discussion. Secretary Hughes became frightened lest negotiations would actually start and cabled a curt reply to the effect that: "There would seem to be at this time no reason for negotiations. If the Soviet authorities are ready to restore the confiscated properties of American citizens or make effective compensation, they can do so. Most serious is the continued propaganda to overthrow the institutions of this country. This government can enter into no negotiations until these efforts directed from Moscow are abandoned." This message seems to have inaugurated a five-year period of profound silence. Nothing of importance disturbed the silence until Soviet Russia subscribed to the Briand-Kellogg Pact for the Renunciation of War.

When the world began seriously to discuss agreement as to the outlawry of war, which eventually became known as the Briand-Kellogg Pact, the Soviet Union was not invited to join. Germany was the only country which desired Soviet Russia to adhere to it. Mr. Kellogg refused to permit Russia to become one of the fifteen original signatories. Thru a misunderstanding Soviet Russia received the impression that the United States was anxious to gather Russia into the fold and expressed readiness to enter. Tho Russia was not permitted to be present at the famous occasion of the solemn signing of the Pact in Paris, it was, however, permitted to declare its adherence as soon as the agreement was signed. Some authors such as John Bassett Moore, teacher of international law, Counsellor of the State Department and a member of the Permanent Court of International Justice

at the Hague, claim that by mutual adherence to the Pact the United States has recognized Soviet Russia. Kellogg was, however, of the contrary opinion.¹²

For a short while in 1929, the Kellogg Pact actually brought forth a lively if not a friendly exchange of opinion in notes between the Soviet Union and the United States. The government of Manchuria, on July 10, 1929, violated the Sino-Soviet Treaties signed in 1924, by forcibly seizing the Chinese Eastern Railway. On the 18th of the same month, the United States reminded the Soviet and Chinese governments of the Kellogg Pact. Both governments promised faithfully to adhere to its provisions, but the Chinese made eight raids into Soviet territory employing the help of White Russian forces. These raids continued and were followed by all kinds of depredations on the part of the Chinese. After numerous admonitions without success, the Soviet army began to raid Manchuria and the Chinese fled. Following this the Governor of Manchuria sued for peace and *pourparlers* began. These facts were reported in the press of the world. Just at this time, i. e., December 2, the Secretary of State invoked the Kellogg Pact reminding China and Russia of their obligations. France, Germany, and Japan refused to join in the invocation of the agreement, feeling that the situation no longer required the intervention of the signatories. Russia became furious; it felt that the Red Army acted in self-defense and that Stimson's admonition came at a time when Mukden was willing to come to a satisfactory agreement with the Soviets. Litvinov then stated that the note "cannot but be considered unjustifiable pressure on the negotiation and cannot therefore be taken as a friendly act." Furthermore, "the Paris Pact does not give any single state or group of states the function of the protector of this pact," and, lastly, "in conclusion the Soviet government cannot forbear expressing amazement that the government of the

¹² For an interesting discussion on this point see Louis Fischer. *Why Recognize Russia?* p. 75-81.

United States, which by its own will has no official relations with the Soviet, deems it possible to apply to it with advice and counsel." The Chinese Eastern Railway problem was settled a few days after Stimson invoked the Pact. This is in short the history of American-Russian diplomatic relations in the last thirteen years. The United States government seems to know that there is a Soviet government, yet in most instances communicates with it thru the diplomatic channels of other powers. The condition has reached a stalemate. Should the United States recognize *de jure* the Soviet government what are the arguments for and against it? We shall attempt to give a brief summary of argument on both sides of the question. The arguments against recognition will be taken up first.¹³

NON-RECOGNITION

In taking up the discussion of non-recognition we must bear in mind the official attitude of the State Department as shown above. Unofficial proponents of non-recognition are to be found among the members of the Catholic hierarchy, leaders of the American Federation of Labor, the National Civic Federation, ex-socialists, and in the group represented by Congressman Hamilton Fish, Jr. The leader of the Catholic faction is Father Edmund A. Walsh of Georgetown University, who served for a number of years as papal nuncio in Moscow. Father Walsh in testifying before the Fish Committee stated "that it was the first time in history that a government which hitherto we have supposed ruled a given territory, claims that the structure of its power is international. Is not that laying claim to universal jurisdiction over the whole world?"¹⁴ Some of Father Walsh's further arguments for non-recognition are "their repudiation of international law," their "failure to fulfill their international

¹³ See Louis Fischer. *Why Recognize Russia?* ch. I.

¹⁴ Louis Fischer. *Why Recognize Russia?* p. 86-90.

obligations not only financial but moral and legal, which culminated in the erection of an instrumentality designed to destroy governments in other parts of the world." Another Catholic clergyman, Father Charles E. Coughlin of Detroit, testifying before the same committee, declared that "there is a movement, an international labor movement thruout the world, and that the movement is headed by Mr. Henry Ford." "Mr. Henry Ford," he continues, "as you all know has been instrumental in subsidizing what was known as the Russian country. The second phase of this internationalism, outside of Detroit, is what the Chase National Bank has been perpetrating thruout America." Father Coughlin further indicts international bankers, especially the J. P. Morgan Company, "which," he states, "is not certainly an American institution. The bankers have become internationalists." Father Coughlin predicted that as a result of the activities of Ford, the Chase National Bank, J. P. Morgan and the Communists, a revolution will break out in the United States by 1933.

THE AMERICAN FEDERATION OF LABOR

Early in 1918 the late Samuel Gompers, President of the American Federation of Labor, sent a message to the All-Russian Congress of Soviets expressing the following sentiment: "We address you in the name of world liberty. We desire to be informed as to how we may help. To all those who strive for freedom we say, Courage! Justice must triumph if all free people stand united against autocracy! We wait your suggestions." This friendly attitude, however, was changed to one of hostility. The leader of this opposition is Matthew Woll who is vice-president of the American Federation of Labor and acting president of the National Civic Federation. Mr. Woll, fearing that the policy of the United States toward Soviet Russia might be changed, wrote a letter in which he violently opposed recognition, stating

that the Soviet government is breaking all agreements with governments, individuals, and corporations. No American citizen could gain anything from Russia unless he sold himself into its service. Upon recognition Russian citizens in America would obtain the usual rights accorded by nations to residents in Russia. On the other hand American citizens would have the status of serfs. A Soviet consular service would become, under diplomatic immunity, centers of Bolshevik propaganda, which would eventually undermine and overthrow the American government. Even now, without recognition, the Bolsheviks are engaged in destructive propaganda in the United States, establishing trade bureaus, etc. And then Mr. Woll proceeds to ask some questions: "Could we go over there and establish American Amtorg Trading Corporations and Skvirsky Information Bureaus? Could we publish papers, magazines and pamphlets in Moscow denouncing the existing government, attacking all its leaders as murderers, grafters, etc.? Could we coolly propose the substitution of our form of government? Could our American anti-Soviet groups secure places over there on the official election ballots, as did the Communists here on the second of November? Would Stalin let the Sherwood Eddys, Kirby Pages and Jerome Davises of Russia go to America to make an impartial study of its industrial and social conditions, and, upon their return to Russia, address an open letter to him urging the reversal of his policies in order that our Anti-Soviet groups might be permitted to do there just what the Soviets are openly doing in the United States, England, France, Germany, India, China, and every other country having any dealings with them?" Mr. Woll also quotes a resolution adopted by the Annual Convention of the American Federation of Labor in Detroit which violently opposed recognition.¹⁵ Then Mr. Woll proceeds to say that even if Soviet Russia should conform to the conditions as laid

¹⁵ Louis Fischer. *Why Recognize Russia?* p. 103-4.

down by the President, he would still feel that some of the institutions in Russia should be changed so as to give protection to residing Americans; but Mr. Woll is not only opposed to recognition, but to all dealings with Soviet Russia. "Any one," insists Mr. Woll, "who grants credit to Russia, even tho it may be in forms which cannot be directly used, is opening the way for its indirect use, and that use is quite apparent." The destructive propaganda is conducted not only "in the labor field but in all the foreign-born and negro groups, for the purpose of inflaming those elements against our institutions." That army, navy, school, and churches are all endangered by Communistic propaganda is Mr. Woll's opinion. Some of the former leaders of the Socialistic party of America, such as Mr. Spargo, are opposed to recognition. "Russia," he declares, "can adhere to the Soviet form of government if it pleases and it can develop Communism to its ultimate limits, if it so pleases, and still gain recognition. All that it has to do is to abandon its avowed hostility to other nations, including our own, which do not desire, and will not have thrust upon them, either Sovietism or Communism." He further claims that "recognition of Soviet Russia would be shameful self-abasement." In discussing the recognition of Soviet Russia by other nations Mr. Spargo contends: "True, other nations have recognized the Soviet government. In the main they have adopted that course because they were compelled to do so by internal political weaknesses from which we are happily free. Great Britain would never have recognized Soviet Russia were it not for the fact that its organized labor movement is political in its character, with Communists constituting a disturbing element. That and the Soviet menace to India compelled British recognition, as more than one British statesman has admitted. France, too, with a government politically unstable, because of its many political parties and groups, a condition giving to its Communist elements a dangerous

power, had to shape her policy according to her inherent weakness!"

The last major organized anti-Bolshevik movement is sponsored by Congressman Hamilton Fish, Jr. Mr. Fish visited Russia in 1923, and it is rumored that he at one time "was interested in a company securing a concession in Russia." Furthermore, on March 24, 1926, he actually introduced a concurrent resolution for opening of trade and friendly relations with Soviet Russia, but the intervening years worked a change in Mr. Fish, for on March 5, 1930, he asked the House's permission to employ his special committee to investigate the activities of American Communists and the Amtorg Trading Corporation. This was granted and \$25,000 appropriated for the investigation. Hearings were held in several cities. Mr. Fish concurs as far as Bolshevik government is concerned with the views of other anti-Soviet leaders as indicated above.

FOR RECOGNITION

While the forces that oppose recognition are well organized, there is no organized movement in the United States for recognition of Soviet Russia. Some well-known individual liberals are in favor of it, namely, statesmen like Senators William E. Borah, Wheeler, Cutting, Barclay, La Follette, Norris, Shipstead, Hiram Johnson, Brookhart and others in the Senate; La Guardia, Frear, and Sabbath in the lower house. Here and there some officials in the State Department and international lawyers favor it. Leaders of both major parties and individual labor unions are known to favor understanding with Russia, and the question is frequently asked: "Why not recognize Soviet Russia?" Most of the nations of the world, such as Great Britain, France, Italy, Germany, Norway, Sweden, Denmark, Iceland, Finland, Estonia, Latvia, Lithuania, Poland, Austria, Czechoslovakia, Greece, Uruguay, China, Afghanistan, Mongolia, Arabia,

Persia, Turkey, Japan have recognized Russia, why not the United States? As a matter of fact, some authorities claim we have already recognized the Soviets (as indicated above); government publications print information about Russia, Soviet trade representatives have been listened to by official departments. Why not recognize Soviet Russia? Paul D. Cravath, in an article in *Foreign Affairs* in discussing our attitude answered this question as follows: "To many the obvious answer would be that we preserve our self-respect by not recognizing a government whose principles and practices are so abhorrent to us and so widely at variance with those on which our civilization is based. But. . .our self-respect is not involved, as recognition does not remotely involve approval of Soviet principles and methods. In the first years following the Soviet Revolution in 1917, the principal Allied Nations of Europe and the United States by withholding recognition undoubtedly intended to discredit and weaken the Soviet government in the hope that it would fail and be succeeded by some form of government based on principles more in harmony with those which actuate the other governments of the civilized world. That quite legitimate gesture failed. It certainly has ceased to be of value to the United States now that most other governments have adopted the policy of recognition. It may be said that it is against the interests of our government to encourage a government professing principles which, if they triumph, would be subversive of our social and political institutions. It is a question whether the attitude of our government in respect of recognition would have an appreciable influence on the ultimate fate of the Soviet government." All civilized governments assume that diplomatic representation in foreign countries is advantageous, and as Mr. Cravath expresses it: "The obvious advantages of a policy of recognition are those upon which the whole system of diplomatic relations between civilized nations is based.

Our government would be in a position, thru its diplomatic representative, to protect life, liberty, and property of Americans visiting or sojourning in Russia of whom there are already several thousand annually, who are now dependent upon the good offices of the diplomatic representatives of other governments. Our government would be able by the usual diplomatic methods to encourage and protect American trade with Russia. There is much force in the view that when in 1923 our government by presidential proclamation encouraged American merchants and manufacturers to engage in trade with Russia, it owed our citizens the duty of protecting this trade by the usual diplomatic machinery. Only by the establishment of diplomatic relations can outstanding differences between the United States and Russia, such as those in relation to dumping and convict labor, be dealt with adequately. With an ambassador in Moscow and consuls in the principal trading centers of Russia, our government would be able to assemble reliable information for the guidance of our merchants, manufacturers, and bankers who are now dependent upon the casual and often prejudiced reports of unofficial observers. Finally, it seems a great pity that the United States should be the only one of the Great Powers which has deliberately excluded itself from exercising any influence thru the usual diplomatic channels in the development of the institutions of the most populous nation in Europe, whose return to economic, social, and political stability is essential for the peace and prosperity of the civilized world."

In discussing the question of recognition, it is advisable to ascertain what advantages will accrue to American enterprise if the United States should establish diplomatic relations with Soviet Russia. The anti-recognition group contends since American business has been conducted without recognition and the volume of trade has increased considerably in the last five years, why is it necessary

to recognize Russia? Since the growing purchasing power of Soviet Russia is admitted both by friend and foe, it is not necessary to go into detailed discussion of the matter, but the paramount question is how will Russia distribute the growing business among the various countries. To be sure the Bolsheviks seem to have a preference for American goods, because they consider them the best. In this connection it may be mentioned, after the Wall Street crash in October, 1929, Europe stopped buying and Soviet Russia alone not only continued but voluntarily increased its purchases in this country, becoming one of the six best markets for American goods. Mr. Julius Barnes, Chairman of the National Business Survey Conference, states that United States exports in January, 1931, were 39.2 per cent below January, 1930. In the face of this situation it is well to consider how Soviet Russia will distribute her proposed \$1,000,000,000 in the next three or four years. United States trade with Soviet Russia amounts to \$150,000,000 per annum. Needless to say that the rest of the industrial world is not going to stand idly by and see the United States receiving the major portion of Russian trade. Will the obstructionist policy followed by the United States government in diplomatic relations help American business to retain Soviet Russia's trade? Peter A. Bogdanov, president of the Amtorg Trading Corporation, speaking before Williamstown Institute of Politics in the summer of 1930 said that the "Amtorg desires to develop its operations in a business-like manner, and in an atmosphere free from unfounded rumors and suspicions; we desire to create mutual understanding and a closer economic cooperation between the United States and the Soviet Union. Whether we shall be allowed to realize this aim will depend upon the attitude of American business firms and banks in the establishment of better credit terms, and upon the creation of a proper atmosphere for the continuation of our work here." And at a luncheon of the City of Detroit Clubs, December 8, 1930, the same

Mr. Bogdanov, after giving figures as to Russia's imports stated: "I believe it is unnecessary for me to cite any further facts in order to show that the significance of Soviet purchases for American industry is considerable. I want to say only that by no means have the maximum possible Soviet purchases here been reached. In fact, I believe that the figure for 1929-1930 would have been larger, had it not been for the many baseless rumors spread last spring. These harmed our credit position with some firms and hence made it necessary for our clients in the U.S.S.R. to transfer some of their orders to Europe, where conditions in certain countries with regard to credits and other factors are more satisfactory."

Constant attempts on the part of public and legislative authorities on Russia's trade have frequently endangered its very existence. In an interview which appeared in the *New York Herald-Tribune* on December 13, 1930, Senator Borah was reported to say that everything possible is being done in these days to break down our trade with Russia—agitation and attacks and treasury regulations—all calculated to interfere with and embarrass trade with Russia at a time when, above all things, we need foreign markets. "The Russian trade is there some one is bound to enjoy it. We may succeed in sending it to other countries, but we cannot destroy the market itself." Unfortunately it is impossible for lack of space to give details in which governmental policy and legislative acts obstruct Russian-American trade. Suffice it to say that the government at no time assisted to hold the millions of dollars resulting from Soviet trade for the American people. The attitude of the State Department was expressed on July 27, 1927, that "individuals and corporations engaging in such trade and commerce do so, however, on their own responsibility and at their own risk."¹⁶ An interesting sidelight of administrative attitude may be deduced from a letter by the State Department in answer to an inquiry: "As you state in

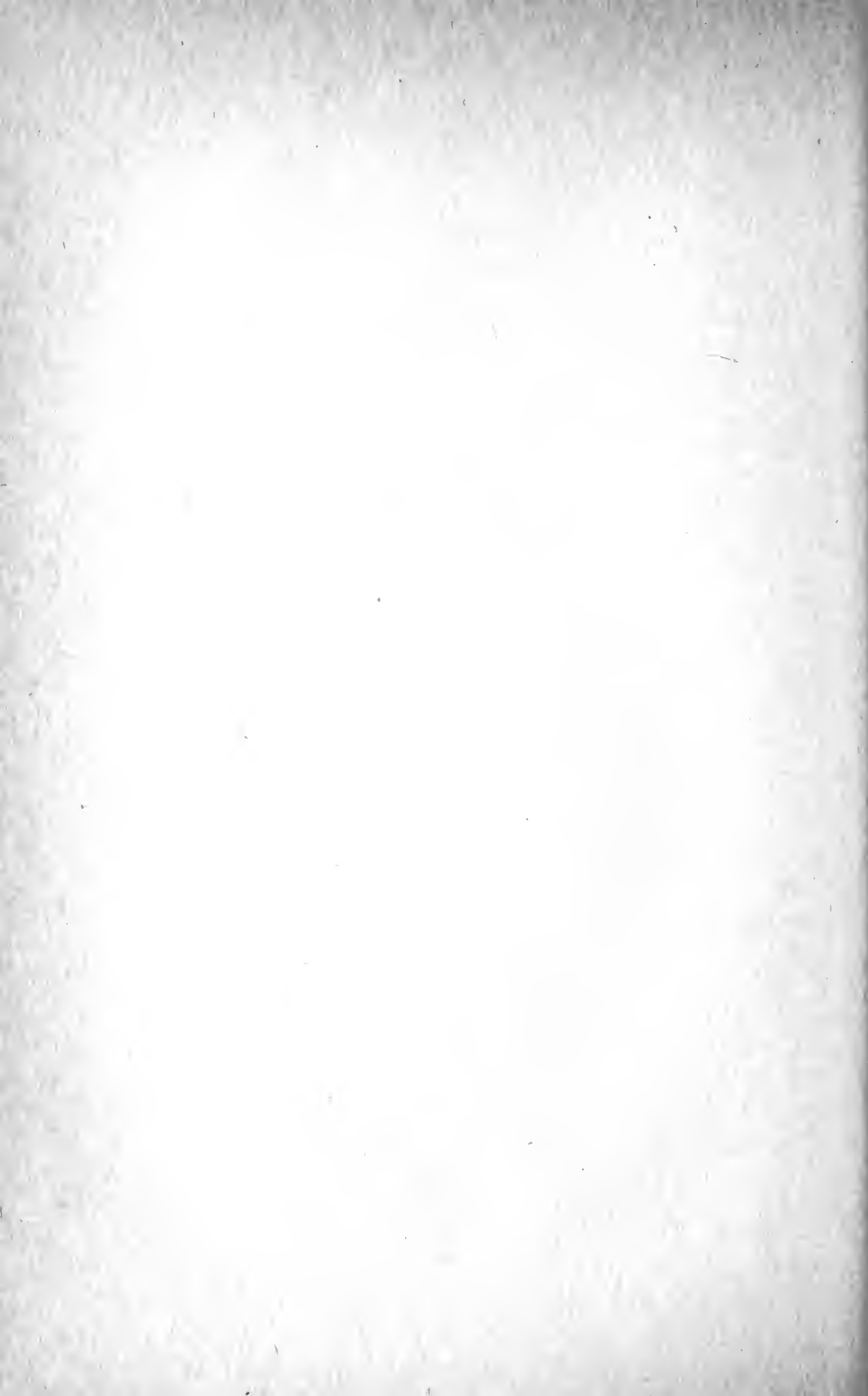
¹⁶ For an interesting summary see Louis Fischer. *Why Recognize Russia?* p. 147-66.

your letter under acknowledgment, this government has not recognized the Soviet régime in Russia and therefore there are no recognized officials of that régime in the United States. However, Mr. Michel Oustinow was appointed Consul General for Russia in New York on March 19, 1913, and he is still recognized by this government as the Russian Consul General at New York of the last recognized Russian government." M. Serge Ughet, the financial attaché of the Tsarist and Provisional governments, has still custody of Russian government property in this country. Soviet laws are not recognized by American courts and the laws and officials of a long since defunct government are given juridical status. Those in favor of recognition contend moreover that this injustice to a well established government under international law would be eradicated even if the United States would merely conclude a trade convention without exchange of diplomatic agents. Then again in these days of world peace agitation, no lasting peace is possible without cooperation of Russia. Lord Cecil, British representative at the League of Nations, took the stand that without Soviet Russia there cannot be effective security in Europe or Asia. Some newspapers, statesmen, and international lawyers of the caliber of John Bassett Moore, have recognized that the United States must change its attitude toward Soviet Russia if disarmament or lasting peace is to be brought about. In conclusion of the arguments for recognition, it is well to quote an anonymous author in the *Current History* of September, 1930, who among other things stated: "If we ever have a sufficient material motive for recognition, any student of American domestic politics can confidently predict that we shall toss aside all pretexts for avoiding the subject and shall get down to cases in record time. We have maintained relations with polygamists, with Slave States, with despots and sultans, we have dealt with cannibals, and other races who did not conform with the dietary and moral standards of Main Street. The

notion that we must endorse the domestic institutions of any country whose diplomatic existence we recognize is a new element in world politics, and a distinct luxury in world trade. Where our interests are at stake we may find it our moral duty to overlook the collective heresy of the Soviets and to tolerate their naive desire to convert us from the error of our capitalistic ways."

CONCLUSION

Thruout this discussion an attempt was made to maintain a balanced attitude of impartiality. Both sides were, it is hoped, given fair consideration. However, in concluding this brief analysis it is well to ask some questions which are germane to the entire subject: Does Soviet Russia in her present organization possess the qualifications commonly expected by us from new governments as prerequisites for recognition? Will the United States, by refusing recognition of the Soviet government at present, expose herself to the danger of less advantageous terms at a later date in case the Soviet Union should continue its present consistent development of strength and accumulation of wealth, and hence be less willing to accept recognition at any price? If the United States should recognize Russia what effect would the act have on the general well-being of our country and in turn upon the economic status of Russia? In the light of the short account of Russo-American relations given above, did the United States in any way or manner commit itself morally to recognition, and furthermore, will recognition by the United States contribute to any extent to international good will with a view to subsequent influence upon the rest of the world in the matter of world peace? Moreover, will the United States by the act of recognition unwittingly advance the work of propaganda by the Third International or would the presence of Diplomatic officials facilitate the protection of American interests and provide suitable methods for conducting its affairs with the Soviet Union?



BRIEFS

RESOLVED: *That the United States should recognize the present Soviet government of Russia.*

INTRODUCTION

- I. Immediate cause for discussion.
 - A. Modern development of international law together with the growing interest in disarmament, the World Court, the Kellogg Pact and various international conferences, all tend to focus the interest upon the diplomatic relations between Russia and the United States.
 - B. The recent economic development of Russia has caused many people to question the wisdom of our policy of nonrecognition towards a nation with great potentialities for economic and industrial competition.
 - C. The speech by Mr. Borah before the United States Senate on March 3, 1931 has helped to revive Congressional interest in the question of recognition.
- II. Origin and history of the question.
 - A. The Russian Revolution.
 - 1. Thru revolution the Imperial Russian government fell with the abdication of Czar Nicholas II on March 15, 1917.
 - a. The new order under Kerensky, known as a Provisional government, was promptly recognized by America and most European nations.
 - b. On March 22, 1917, the United States thru its ambassador, David R.

Francis, was the first nation to recognize the Provisional government of Russia.

2. The Second Revolution led by the Bolshevik party overthrew Kerensky's Provisional government in November, 1917.
 3. The U. S. S. R. was established in 1923 under a new constitution.
- B. America's attitude since the origin of the Soviet régime.
1. The United States was unfavorable to the recognition of the Soviet régime from its very beginning.
 - a. The Wilson administration opposed recognition on two grounds:
 - (1) that it destroyed the democratic character of the Russian government;
 - (2) that it refused to respect its international obligations.
 2. For a period of nearly five years after the Provisional government of Russia had fallen, the United States continued to recognize Bakhmetev, the ambassador of that government, as the Official Russian representative in this country.
 3. Under President Coolidge's administration, Secretary Hughes sent a note on December 18, 1923, to the Soviet government declaring the United States would not be ready to recognize the Soviet régime until it restored confiscated American property, assumed obligations for its international debts, and discontinued the spreading of Communistic propaganda.

4. The position regarding recognition by our State department since 1923 has been consistently maintained.

C. Attitude of other countries towards the Soviet government of Russia.

1. By November, 1926, some twenty-two nations had recognized the Soviet government of Russia. Countries with their dates of recognition are as follows:

Estonia	February 2,	Austria	February
1920		20, 1924	
Latvia	August 11,	Greece	March 8,
1920		1924	
Finland	October 14,	Sweden	March 15,
1920		1924	
Persia	February 26,	China	May 31, 1924
1921		Denmark	June 18,
Afghanistan	February 28, 1921	1924	
Turkey	March 16,	Mexico	August 4,
1921		1924	
Poland	March 18,	France	October 28,
1921		Japan	January 22,
Mongolia	November 15, 1921	1925	
Germany	April 16,	Lithuania	July 12,
1922		1925	
Great Britain	February 1, 1924	Uruguay	August 24,
Norway	February 13, 1924	1926	
Italy	February 17,		
1924			

III. Definition of important terms involved in the discussion.

A. Recognition.

1. (General meaning) There is no uniform rule which can be formulated as a basis for recognition for all nations. Usually the act of recognition acknowledges that a new state has arisen or that a governmental change has occurred. The **existence** of a state is a question of fact

and according to international law the conditions necessary for constituting a state are: (a) a definite territory; (b) a population inhabiting this territory; (c) an independent sovereignty with an organized government, free from domination by another state.

2. (Recognition as specifically applied to the United States) The responsibility for recognition of a government rests with the chief executive, who may permit moral, political and economic considerations to influence the foreign policy he will pursue. The traditional manner for carrying on official relationships with a foreign power is thru the exchange of diplomats. The diplomatic relation with a foreign nation is subject to limitations and restrictions when (a) the state's own interest is concerned; (b) when international goodwill is endangered; (c) when honorable intercourse between states is in jeopardy.

B. *De facto* government.

1. Recognition of a *de facto* government "is in law the recognition of a fact. This fact is the existence of a politically organized community having an established seat of government enforcing obedience to its mandates within its limits in a civilized and orderly manner, and asserting its independence, with a reasonable chance of being able to make good its assertion."—E. Moxey. *Yale Law Journal*. 13:85. D. '03.

C. *De jure* government.

1. "A government of right; the true and lawful government; a government established

according to the constitution of the state, and lawfully entitled to recognition and supremacy and the administration of the state."—Austin. *Jurisprudence*, quoted in Black. *Law Dictionary*. 2d ed. p. 545.

IV. The issues evolve from the following questions:

- A. Does the present Soviet government of Russia fulfill our traditional requirements for recognition?
- B. How will recognition affect the political and economic welfare of the United States?
- C. How will recognition affect the economic and political welfare of Russia?
- D. What bearing will our policy of recognition of Russia have upon international relations and world peace?

AFFIRMATIVE

I. Our traditional relations with foreign powers do not justify our present attitude toward the Soviet government of Russia.

A. The Soviet government of Russia fulfills the customary requirements for recognition.

1. Russia meets the essential conditions for recognition as prescribed by international law, which are:
 - a. definite territory
 - b. population inhabiting this territory
 - c. condition of sovereignty of the state exercised within the territory.
2. The Soviet government has proved its stability by its fourteen years of existence.
 - a. The strength of its government has never been weakened by an opposing power nor has its permanency been endangered during the fourteen years of its existence.

- b. There is no opposing organized movement or political party which may overthrow the present régime.
 - c. During the last few years the voting population in the various elections has been increasing more rapidly than the proportionate increase of its inhabitants.
- 3. The ability and efficiency of the Soviet government is shown by its successful program of economic expansion.
 - a. The adoption and operation of Russia's economic policy is meeting with unusual success.
 - b. The inauguration and carrying out of its five-year plan has won the admiration of engineers and economists thru the whole world.
- B. Our present attitude towards the Soviet government is inconsistent with our foreign policy.
 - 1. We have recognized other nations where international affairs were not in harmony with American political doctrines.
 - a. The United States has recognized the Provisional government of Russia which was instituted as the result of a revolution.
 - b. The United States carried on relations with the Czarist government of Russia which was not representative of the people.
 - c. The United States recognizes Italy altho the Fascists have threatened to spread propaganda among our people and Italy has repudiated a part of her debts.

C. There are three alleged reasons for our non-recognition which are inconsistent with some of our traditional policies of recognition.

1. (The Third International) We refuse recognition because of the Soviet's connection with the Communistic International and its alleged practices of spreading propaganda to other nations, yet the question of propaganda has never dominated our policies for recognition in the past.

a. We recognized the Republic of France following the French revolution when the revolutionists had dreams of world revolution, in the name of liberty, equality and fraternity.

b. Zeal for spreading propaganda for their cause is a natural and inevitable byproduct of a revolutionary people and may even be essential for the preservation of the gains made thru bloodshed and suffering. This missionary zeal is usually temporary and has little bearing on our diplomatic relations with Russia.

2. (Repudiation of foreign debts) We refuse to recognize the Soviet government of Russia because it has failed to pay or acknowledge the debts of preceding governments.

a. Repudiation of debt obligations has been practiced by many of our own states and certain foreign countries which we recognize.

(1) After the Civil War the South defaulted payments of large sums of money. These obliga-

- tions were not assumed by the North when the South again came under the national government.
- (2) Many of our own states have repudiated their debts.
 - (3) The nations of Rumania, Greece, Spain, and Portugal have since 1840 defaulted on large amounts of their debts.
- b. The Soviet government has shown an attitude of fairness towards meeting its obligations.
- (1) Russia has several times expressed her willingness to make settlements and has even offered to assume part of the debts incurred by the Imperial Russian government, provided we recognize her counter claims against us.
 - (2) It is unfair to force the Soviet government to pay all the debts assumed by all Russia when Estonia, Finland, Latvia, and Poland have been taken from Russia's territory.
3. (Restoration of confiscated American property) The United States refuses recognition on the grounds that the Soviet government fails to restore confiscated property of American citizens.
- a. From our present attitude it seems we expect pay for property damages of American citizens without conference.
- (1) This is contrary to our policy with other nations who in time

of war destroyed our property. Other nations have made reparation settlements thru conferences as was the case with Germany, Turkey, and Mexico.

- b. Russia has grounds for bringing counter claims against the United States.

- (1) She has a moral and legal right to ask for an economic adjustment of the loss of property and damages caused by American troops in their invasion of Russian territory, at a time when we were not in a state of war with Russia.

II. The United States will gain economic and political advantages by recognizing the present government of Russia.

A. The new demands for expanding trade with foreign nations as created by the increasingly industrial character of our country have made trade relations with Russia an important economic factor.

- 1. The Soviet government thru its program for industrial expansion is rapidly building up an attractive market for American goods.

- a. In spite of our policy of non-recognition American exports to Russia have increased over 200 per cent over the pre-war figures.
 - b. In 1930 the Soviets bought seven dollars worth of our goods for every dollar's worth they sold to us.
 - c. In 1930 the United States Chamber of Commerce reported that Russia is

our sixth best foreign customer ranking first in purchase of farm machinery, third in industrial machinery, fifth in mining machinery and fourth in the purchase of electrical equipment.

- d. The United States is the second best market for Russian purchases.
- B. The future industrial development of Russia will create a large and permanent market for American goods.
 1. Russia with her low standard of living, her vast resources and undeveloped transportation systems will require numerous "five-year plans" before there will be a material slump in her demand for American goods.
- C. Recognition of the Soviet government of Russia will facilitate prosperous trade relations between Russia and the United States.
 1. Recognition will help to establish confidence and stimulate increased activity for commerce and trade.
 2. Without recognizing Russia, many business firms hesitate to deal with the Soviet government and consequently many contracts are withheld.
 - a. Leon Trotsky says economic relations between the two countries will gain incomparably faster under correct and stable state relations.
 3. Political recognition implies certain trusts and guaranties without which American industry is slow to enter Russia.
 4. In case of an overt act under the present situation the United States could not protect American interests already in Russia.

5. Our trade with Russia is curtailed due to the Soviet government's inability to secure adequate loans for carrying out her program of industrial expansion.

- a. The scarcity of both gold and credit makes it difficult for Russia to do business on a large scale with American firms.

- D. Existing diplomatic relations of European countries with Russia places our commercial interests at a disadvantage.

1. Germany, France, and England enjoy a lucrative trade relation with Russia thru the commercial treaties which are made possible by recognition.

2. As other countries regain their economic stability and prosperity the competition for Russian trade will grow and the United States will be at a greater disadvantage than ever.

- E. Recognition will be politically advantageous to the United States.

1. It will facilitate the settlement of the old debts and a return of confiscated American property.

2. It will tend to create a feeling of friendliness between the people of the two countries.

- a. It will help remove suspicion and discourage the spreading of idle and malicious rumors.

- III. Recognition will be beneficial to the economic and political welfare of Russia.

- A. It will help Russia's economic recovery.

1. Favorable trade relations with the United States will help Russia to carry out her own economic program.

- a. The United States with its leadership as an agricultural nation is particularly suited to aid Russia both in the exportation of farm machinery and in teaching Russia scientific and efficient methods of farming.
 - b. Our experience in civil and electrical engineering enables us to offer Russia expert assistance in building dams, bridges, roads, and electric power stations.
- B. Russia is in need of greater economic stability.
 - 1. The war, together with internal revolution, has left Russia in a weak economic condition.
 - a. Following the Revolution, Russian factories were run down or destroyed and many industries were in a chaotic condition.
 - b. Her railroads and rolling stock had woefully deteriorated.
 - c. Her pre-war dependency on other nations for many articles added to the seriousness of her economic plight during the distressing years of war, revolution and civil war.
- C. Recognition will be politically advantageous to Russia.
 - 1. It will enable her to carry on relations with the United States in a direct business-like manner.
 - 2. It will tend to create greater national political solidarity.
 - a. It will temper the spirit of rigid dictatorship and will gradually permit a more democratic spirit to prevail.

- IV. The United States' recognition of the Soviet government of Russia will help to bring international harmony and world peace.
 - A. It will help to avoid friction and bring more harmonious relations among all nations.
 1. By our policy of non-recognition we are placing Russia on a black list before other countries.
 - a. This tends to arouse suspicion and distrust on the part of all nations as regards Russia.
 2. It will help to create an attitude of confidence among all nations dealing with Russia and will avoid many dangerous complications.
 3. It will help to prevent friction that may arise out of multi-lateral treaties.
 - B. It will tend to create harmony between Russia and the United States.
 1. It will facilitate the settlements of disputes caused by debts, by property damage and by propaganda.
 2. It will help to create a general feeling of friendliness among the peoples of both countries.
 3. It will help provide greater conveniences for Russians in the United States and for Americans in Russia.
 - C. Recognition would discourage the spread of Soviet propaganda.
 1. If normal diplomatic relations were established the United States would be in a position to take official action to prevent organized attempts to spread communistic doctrines should the situation warrant such action.

2. As normal trade and political relations between Russia and the United States are established we may expect the communistic leaders to modify their tactics and their objectives.
- D. Considering Russia's potentialities for economic and military power, recognition at present might be more conducive to world peace than at a later time when Russia may be in a position to dictate her own terms.

NEGATIVE

- I. There are certain factors pertaining to state relationships which justify our present policy of non-recognition of Russia.
 - A. The stability of the present Soviet régime is questionable.
 1. Restlessness and dissatisfaction are constantly in evidence among the Russian people.
 - a. To combat the constant threat of opposing forces the Soviets have instituted a large and efficient organization of spies and a government operating on the basis of a spy system is not secure.
 - b. The peasants, comprising the largest class in Russia, are greatly opposed to having their land brought under control of the state.
 - (1) They expressed their opposition to the Soviet decrees by burning and destroying their surplus crops and by the slaughtering of their live stock, rather than submit the fruits of their labor to the state.

- c. On many occasions the officials now in power have been forced to modify their demands for fear of arousing a spirit of rebellion.
 - d. The sailors of Kronstadt showed their opposition to the Soviets by staging a general mutiny.
- B. The present Soviet doctrine threatens to destroy the democratic character of government.
 - 1. The Soviet government does not represent the will of the people.
 - a. The Communistic party now in power represents the will of less than 1 per cent of the people.
 - b. The true expression of the will of the people is prohibited thru suppression of free speech and the press.
 - c. The rule of Stalin is admitted to be that of a dictatorship.
- C. The position of the Soviets is not strong enough to assure its permanence in case of a widespread famine or great national emergency.
 - 1. At a time of unusual strain a revolution could easily wipe out the present Soviet régime.
- D. The Third International which is intricately bound up in the Soviet government threatens to spread communistic doctrine thruout the whole world with the hope of eventually gaining domination and declaring Moscow as the world capital.
 - 1. On December 13, 1917, a little over a month after the accession of the Soviet régime, over two million rubles was appropriated for the needs of the revolutionary internationalist movement.

2. Zinoviev said: "The eternal in the Russian revolution is the fact that it is the beginning of the world revolution."
3. Lenin before the last Congress of the Third International said: "The revolutionists of all countries must learn the organization, the planning, the method and substance of revolutionary work. Then, I am convinced the outlook of the world revolution will not be good, but excellent."
4. Trotsky, addressing the Fifth Congress of the Russian Communist Youths at Moscow said this: "That means, comrades, that revolution is coming in Europe as well as in America, systematically, step by step, stubbornly and with gnashing of teeth in both camps. It will be long protracted, cruel and sanguinary."
5. Stalin on the tenth anniversary of the Bolshevik Revolution affirmed that the hope of a world revolution has not been given up by the Soviet government. He further states in referring to the October revolution: "And meanwhile it is the centre and the base of the revolutionary movement, prepared to take advantage of the revolutionary situation which will inevitably be produced by capitalist rivalries. In other words, we children of the October revolution become an important factor in world affairs with a definite specific gravity."
6. The Allies, fearing the danger of Russian propaganda, dispatched a joint note to Germany as follows: "The avowed hostility of the Bolsheviks to all governments and their international program of revolution

which they are spreading abroad, constitute a grave danger for the national security of all Powers."

E. The United States was selected as the one nation on which the Bolshevik leaders should center their efforts.

1. The United States Department of Justice claims to have positive evidence of a gigantic conspiracy to destroy our government.
2. The Senate Investigating Committee under Senator Overman found numerous plots of the Bolsheviks to arouse the working classes to overthrow our government.
3. Trotsky before leaving America for Russia expressed his contempt for our government when he said: "I am going back to Russia to overthrow the provisional government and stop war with Germany. Keep on organizing until you are able to overthrow this damned rotten capitalistic government."

F. The present government of Russia refuses to assume her economic obligations.

1. While the Kerensky government did not profess a policy of repudiation the Soviets promptly issued the following decree: "Unconditionally, and without any exception, all foreign loans are annulled."
 - a. This act of annulling all war loans obtained by the former Russian government is a direct violation of a cardinal principle of international law.
 - (1) Professor Schuman of the University of Chicago says: "There can be no question of the

legality of America's debt claim against Russia."

- b. Russia's policy of annulling foreign loans has remained much the same for nearly fourteen years.

II. Recognition at this time would give the United States no political or economic advantages.

A. It would not help our trade relations with Russia.

1. Our trade with Russia without recognition is greater than before the war with recognition.
2. We have no assurance that recognition would swell the volume of trade.
3. Russia's trade with foreign nations has approximated the limit of its buying power.
4. A large portion of Russian trade will always go to European nations.
 - a. European nations have a definite geographical advantage.
 - b. Russia has a greater potential trading leverage with European nations.
 - (1) European nations need wheat, a product which Russia is naturally adapted to produce, and therefore she enjoys a trading advantage with European nations over the United States.

B. We are not in need of Russian trade.

1. Other countries with more suitable geographical locations can provide us with the products which come from Russia.
 - a. The Central and South American countries have similar markets for American trade.

- C. Diplomatic relations with Russia might endanger our trade.
 - 1. In the event of a new government in Russia the present repudiation of debts would form a precedent for future Russian governments to follow.
 - 2. Under recognition credits to Russia would be extended which might later be lost thru a governmental change since at present business is done on a cash basis.

III. Russia would have nothing to gain politically or economically thru recognition.

- A. Russia is able to carry on as much trade as her buying power will permit without recognition.
- B. The conditions which we have prescribed to Russia for recognition would force Russia to assume heavy financial obligations in the payment of debts and damages for confiscated American property.
- C. Russia has continued her present government without recognition by the United States for fourteen years and the mere establishing of diplomatic relations with America will have no bearing upon her international political affairs.

IV. Our recognition will not advance the cause of international harmony and world peace.

- A. It would facilitate the objective of the Third International.
 - 1. It would tend to encourage the further spread of the Communistic doctrine among other nations, causing unrest and turmoil thruout the world.
 - 2. It would increase the danger of dissension wherever Communistic doctrines are found outside of Russia because Moscow

has been declared the world capital for the Third International.

3. Secretary Hughes has clearly shown that the present Soviet government and the Third International are one and the same.
- B. By recognizing Russia we are placing our stamp of approval on Russia's initial stand of annulling her international obligations.
- C. Recognition of Russia with its great war machine would be a direct blow to peace.

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The author has spent two and a half years at the Institute of Social Law in Moscow; his work is carefully written and well supplied with authorities.



GENERAL DISCUSSION

ONE HUNDRED AND FIFTY YEARS OF AMERICAN-RUSSIAN RELATIONS, 1777-1927¹

It is my belief that it is only thru contact, association, and recognition between governments that we can ever secure friendship between nations. Whenever we have recognized and dealt with a government we have stimulated friendship for America. On the other hand, whenever we have practiced isolation and non-recognition we have stimulated mutual ignorance, misunderstanding, and falsehood. Let us turn to the history of American-Russian relations and see if this assumption is borne out by the record.

I. FROM THE DECLARATION OF INDEPENDENCE TO THE RUSSIAN REVOLUTION IN 1917

Upon our Declaration of Independence in 1776, England attempted to induce Russia to join in military intervention, but the Russian government refused. One hundred and forty-two years later England appealed to the United States for similar help against the revolutionary government of Russia, and the United States eventually accepted.

In 1780 Francis Dana was appointed by the United States Congress to go to Russia to secure recognition. Dana landed in St. Petersburg in 1781. In the meanwhile, Russia was so friendly to the United States in her armed struggle with Great Britain that she offered mediation, which was accepted by the United States.

¹ From an article by Jerome Davis, Ph. D., Yale University. *Annals of the American Academy*. 132:18-31. July, 1927.

Dana was repeatedly received by the Russian foreign office, and Russia agreed to make a commercial treaty with America as soon as peace with England was signed. So corrupt was the Tsar's government at that time that it was officially understood that every country which negotiated a treaty with Russia must pay each of the four principal Russian ministers 6000 roubles, or \$3000. On June 14, 1783, the Russian Vice-Chancellor told Dana that the Empress would receive him with pleasure as soon as the treaties between the belligerent powers should be consummated, and that America would receive the *most favored* nation treatment. However, when the United States knew she could secure peace with England, Russian recognition became a matter of indifference to her. In 1783 Congress suggested that Dana return home, while our Department of State wrote him, "It is the wish of Congress rather to postpone any treaty with Russia than buy one." Altho Dana wrote that he had not "the least doubt" about securing a commercial treaty with Russia, he returned to the United States under the pretense of ill health. On the ratification of peace the Russian Ambassador to England asked informally of our Ambassador why America did not seek recognition. In 1799 Russia made formal advances to the United States, stating that the Emperor was willing to conclude a commercial treaty. Immediately President Adams appointed a special minister by the name of King to conclude the treaty in England, but Russia had the custom of negotiating treaties in one of the capitals of the two nations concerned. King did not want to go to St. Petersburg, so the matter was dropped. In 1803 Adams appointed Leverett Harris as Consul to Russia, and he was received, as he himself said, with "flattering attention." In 1804 President Jefferson wrote the Tsar of Russia thanking him for Russian help in the capture of a frigate off Tripoli. In 1805 the Tsar congratulated President Jefferson on his re-election. The latter wrote in 1807 that as long as the Tsar Alex-

ander lived Russia would be "the most cordially friendly to us of any power on earth." In 1809 Jefferson sent a minister plenipotentiary to Russia, but due to opposition to the particular man named his nomination was rejected by the Senate. Nevertheless, Russia immediately appointed a minister to the United States. On June 26, 1809, the United States confirmed the nomination of John Quincy Adams, who had previously been with Dana in Russia, and he was received by the Tsar the same year.

It will thus be seen that Russia treated all of our representatives with the utmost friendliness, and only seven years after our Declaration of Independence the Russian Vice-Chancellor received our Consul and told him Russia would conclude a treaty with us. Advances of friendship were retarded by action of the United States government rather than by Russia.² One hundred and forty years later the United States recognized the temporary government of a Kerensky, but refused recognition to the much more permanent and powerful government of a Lenin. In fact, we even went to the extent of fighting Russia without a declaration of war and expelling her representative from our shores.

Not only was Russia friendly to us in the early years of our revolutionary period, when England was branding us with names which we were later to use against Soviet Russia, but in the War of 1812 Russia offered to mediate between England and America, an offer accepted by the United States.

In 1863 Emperor Napoleon of France proposed intervention in the American Civil War. Russia categorically refused and instead, within six weeks, sent a fleet of warships to America, a gesture which was accepted all over the world as a sign of her friendship for America and the North. At the close of the conflict, Assistant Secretary of the Navy Fox was sent to Russia to express our gratitude.

² See Hildt, I. C. *Early Diplomatic Negotiations of the United States with Russia*. Johns Hopkins Univ. Studies. vol. 24. 1906. nos. 5-6.

It can thus be seen that altho the Russian Tsar's government was one of the most autocratic and despotic in the world and the United States at that time was the most advanced revolutionary government, Russia was extremely friendly and we welcomed her aid. During the Russo-Japanese War President Roosevelt reciprocated in a small way for former Russian help by aiding in the establishment of peace.

Let us now turn to the Russian Revolution and examine more minutely our action. It is, of course, impossible to recount all the events of the past decade. We can but touch briefly on the most important episodes.

II. FROM THE REVOLUTION IN MARCH, 1917, TO THE NOVEMBER REVOLUTION

Over ten years ago, in March, 1917, the Russian Revolution broke. On March 22 the United States was the first formally to recognize the Provisional government. Later they granted credit for the purchase of war material in the United States to the extent of \$283,100,000. Five days after the Revolution began the Petrograd Soviet, which actually had more military power than the Provisional government, sent out a proclamation to the "Peoples of the World" in which it said:

Conscious of its revolutionary power the Russian democracy announces that it will, by every means, resist the policy of conquest of its ruling classes, and it calls upon the peoples of Europe for concerted decisive actions in favor of peace.³

As was generally recognized, this was the real voice of the Russian people. Again, on May 15, this same Soviet, which was not Bolshevik and which supported the Provisional government, sent an appeal to the socialists of all countries which said:

You must force your Governments to state definitely and clearly that the platform of peace without annexations or indemnities, on the basis of self-determination of peoples, is also

³ *Izvestia*. March 28, 1917. p. 1.

their platform. . . In order to unite these efforts the Petrograd Soviet has decided to take the initiative in calling for an international conference of all the Socialist parties and factions in every country.

The Provisional government which we had recognized gave the stamp of its approval to this by declaring on May 18 that its aim was:

To bring about, at the earliest possible date, a general peace. . . without annexations, without indemnities, and on the basis of self-determination of peoples.⁴

Secretary of State Lansing met this appeal by stating that no passports would be issued for Americans desiring to attend the Stockholm Peace Conference. The State Department looked with disfavor on the possibility of its spreading peace sentiments in the countries participating.

On May 12 the State Department announced a *Special Diplomatic Mission* to Russia headed by Elihu Root of New York. His official declarations to the Russian people must be considered as authoritative statements of our governmental policy.⁵ In Moscow on June 22, 1917, he said:

It is a cause of joy to the democratic people of the United States if they can help to give to the Russian people the opportunity to work out their own system of government in accordance with the genius of Russian character.

On June 22 he said to the Moscow Duma:

You will make mistakes; you will have to retrace your steps here and there; you will find imperfections, but you will step by step go on to develop a structure of competent and successful free self-government. . . We will stay with you to the end.

On June 23 he said to the Russian War Industries Board:

A very cheering incident is the action recently taken in Petrograd by the General Council of Workmen's and Soldiers' Delegates. . . That resolution (welcoming cooperation between capital and labor) may well be accepted as the authoritative declaration of the people of Russia, so far as they have yet been able to secure a representative assembly.

⁴ *Izvestia*. May 19, 1917. p. 1.

⁵ For the speeches of this delegation see *America's Message to the Russian People*. Marshall Jones Co. 1918.

Thus the head of the official diplomatic mission to Russia pledged: (1) that the United States would help Russia work out her own system of government in her own way; (2) that the United States would stay with her to the end in spite of any mistakes she might make; and recognized (3) that the Petrograd Soviet, in at least one instance, was the authoritative spokesman for the Russian people so far as they had yet secured a representative body. In spite of these assurances, within a year we were illegally invading Russian territory, and have since not recognized the existing Russian government.

Other members of the Commission gave the impression that we owed Russia a great debt and that our government and people were friendly to labor unions and socialism. For instance, John R. Mott said to the Russian Sabor on June 19:

We shall never forget the service rendered by Russia to our country at the time of our War of Independence, and also again in the midst of our Civil War. Moreover, we recognize that in the present World War the Russian soldiers and people have been fighting battles for us.

Mr. Duncan, another member of the Commission, said to the All-Russian Trade Union Convention on July 5:

We advise that in addition to these political activities the working men and women of Russia should thoroly and strongly organize into trade and labor unions. . . Organize now into militant trade and employment associations. Take co-equal interest in economic as in political organization.

This, Mr. Duncan assured them, was necessary because without it government officials would be careless in enforcing the law.

Still another member of the United States Government Commission told the Russian people that he was a socialist:

I come from the workers, the radicals, the American socialists, the champions of democracy. For freedom and the emancipation of man the Russian revolution is the greatest event in human history.

When the Russian people followed their reasonable interpretation of these official messages from America and organized the government on the basis of a union labor system—on the authority of occupational units, or Socialistic Soviets—America refused to deal with them.

On June 16 the Russian Provisional government sent a note asking for a conference of Allied Powers to revise the ultimate aims of the war. On the whole, these first few months were characterized by peace and friendship between Russia and her allies.

III. FROM ACCESSION OF THE BOLSHEVIKS TO POWER TO ALLIED INTERVENTION IN SUMMER OF 1918

This period was characterized by a growing misunderstanding with foreign powers. On November 6, after the people had elected Bolsheviks to a majority control in most of the Soviets thruout Russia, the Communistic Party seized control of the national government.

Two days later the All-Russian Convention of Soviets passed a resolution proposing to all the warring peoples a peace based on the formula "without annexation and without indemnities." The Soviet government on November 22 sent a note to the Allied Ambassadors proposing such a peace. The Spanish, Norwegian, Swedish, and Swiss ministers sent replies saying that they were taking "proper steps."

On November 28 General Judson, the ranking United States military representative, sent a letter to the Chief of the Russian General Staff in which he said that America did not wish to aid any one political party in Russia over another and "it is certainly within the rights of Russia to bring up the question of a general peace."⁶

On November 28 Trotsky sent a note to the diplomatic representatives of the Allied countries informing them

⁶ Cumming and Pettit. *Russian-American Relations*. Harcourt, Brace and Howe. 1920. p. 49.

that hostilities had ceased on the Russian front and urging them to join in negotiations for a speedy armistice.

On December 1, 1917, Trotsky protested that the representative of the United States, Lieutenant-Colonel Kerth, had urged the Russian General Dukhonin to carry out a policy "directly contrary" to that of the Russian government, and was consequently interfering in the internal affairs of the country.

On the same day General Judson called on Trotsky to open up relationships with the Russian government, stating: "The time of protests and threats addressed to the Soviet government has passed, if that time ever existed." Because of his willingness to treat with the Bolsheviks, General Judson was recalled to the United States and kept here for the duration of the war.

On December 29 Trotsky once more appealed to the Allies to participate in the peace conferences. On January 2, 1919, Ambassador Francis of the United States in a written communication stated: "If the Russian armies now under command of the People's Commissaires commence and seriously conduct hostilities against the forces of Germany and her allies, I will recommend to my Government the formal recognition of the *de facto* government of the People's Commissaires."⁷

On January 8 President Wilson in his address to Congress complimented the Soviet government, saying:

The Russian representatives have insisted, very justly, very wisely, and in the true spirit of modern democracy, that the conferences they have been holding with the Teutonic and Turkish statesmen should be held within open, not closed, doors, and all the world has been the audience, as was desired. . . Their power (that of the Russian people) is shattered. And yet their soul is not subservient. They will not yield either in principle or in action. Their conception of what is right, of what it is humane and honorable for them to accept, has been stated with a frankness, a largeness of view, a generosity of spirit, and a universal human sympathy which must challenge the admiration of every friend of mankind.

⁷ Hearings on Bolshevik Propaganda before a sub-committee of the Committee on the Judiciary, United States Senate, 65th Congress. 1919. p. 1009.

On January 18 the Constituent Assembly met and was disbanded by the Soviet government. On January 23 Colonel Raymond Robins, Commander of the American Red Cross, cabled America stating that in consequence of the dissolution of the Constitutional Assembly the Soviet government was stronger than ever before and that he strongly urged recognition.

After waiting three months for Allied recognition, the Bolsheviks on February 8 repudiated Russia's foreign debts.

On February 28 the American Ambassador, who had removed his headquarters to Vologda, wired Colonel Robins: "Express gratitude Council People's Commissaires for cooperation."

On March 5 Trotsky gave a note for transmission to the American government asking what support they could count on from the United States if they continued to fight Germany.

On March 9 the American Ambassador cabled the Secretary of State against Japanese intervention saying, among other things:

Trotsky furthermore asserted that neither his government nor the Russian people would object to the supervision by America of all shipments from Vladivostock into Russia and a virtual control of the operations of the Siberian railway.

On March 14 President Wilson sent a message for the Russian people thru the Congress of Soviets, thus to that extent recognizing the Bolshevik government.

Shortly afterwards Secretary Polk stated that Japanese intervention in Siberia could be justified solely with a view to "holding it safe against Germany. . . Otherwise the Central Powers could and would make it appear that Japan was doing in the East exactly what Germany is doing in the West, and so seek to counter the condemnation which all the world must pronounce against Germany's invasions of Russia which she attempts to justify on the pretext of restoring order."⁸ Since all

⁸ *Russian-American Relations.* p. 100.

the world now knows that we did not limit intervention in Russia "to holding it safe against Germany," here is a condemnation of our own action by our own governmental official.

On March 18 Trotsky officially asked America for officers to help train the Soviet Army and also for an American railroad commission.

During this same month the American Ambassador became alarmed about the reported arming of prisoners of war. These reports were later shown to be largely false by official American and British officers appointed to investigate the matter.⁹ On March 23 the American Ambassador in Tokio cabled that the Japanese government had no present intention of intervening in Siberia. Less than two weeks later Japan began landing military forces in Vladivostock.¹⁰ All the Allied military attaches in Moscow cabled on April 4 against Japanese intervention.

On March 29 Foreign Commissar Tchicherin formally asked the United States government for the appointment of its representative on each of six commissions to settle Roumanian-Russian affairs.¹¹ During this period the Soviet government permitted our officials to purchase platinum for the use of the United States.¹²

Altho the United States Ambassador requested our railroad commission to come on, they were held in Japan by the State Department on the theory that the Soviet leaders were "acting under the direction of the German General Staff."¹³

On April 9 Ambassador Francis was advised by the Secretary of State that Admiral Kato had landed troops solely on his own responsibility. The Ambassador thereupon advised the British and American admirals and

⁹ *Ibid.* p. 177-84.

¹⁰ *Japanese Intervention in the Russian Far East.* Published by Special delegation of the Far-Eastern Republic. Washington. 1922. p. 7.

¹¹ *Russian-American Relations.* p. 119.

¹² *Ibid.* p. 130.

¹³ *Ibid.* p. 113 and 133.

consuls that it had been done "purely for the protection of Japanese life and property."¹⁴

On April 12, at the request of the Commander of the American Red Cross who had had his automobile stolen, the Bolsheviks attacked and captured all the armed anarchist clubs in Russia which the Kerensky government had not dared to attack.¹⁵

On April 17 the Commander of the American Red Cross protested because of the methods used by our consular representatives against the Bolshevik government. He wired the American Ambassador:

Business relations not usually strengthened thru policy kicking people in the face. Constant desire and expectation overthrow Soviet power poor foundation business cooperation.

On April 18 the American Red Cross Commander again reiterated his belief that unless the United States would create a commission with power to work with the Soviet government for economic cooperation, all useful work in Russia was over.

On April 21 the Soviet government claimed to have uncovered a conspiracy against the Siberian Soviet government by Admiral Knight of the United States and the American Consul at Vladivostock. The American Red Cross admitted that it looked as if the Consul was at least indiscreet. The Soviet government asked for the recall of the American Consul in Vladivostock.

On May 3 the American Ambassador wired Colonel Robins asking him if he thot "the Soviet Government would oppose Allied intervention if they knew it was inevitable," thus implying that intervention had been decided on.

On May 5 the chief representative of Great Britain listed six definite ways in which Trotsky had shown his willingness to work with the Allies, including inviting a commission of British Naval officers to save the Black

¹⁴ *Ibid.* p. 139.

¹⁵ *Ibid.* p. 143.

Sea Fleet and coming to a full agreement regarding the Allied stores at Archangel.¹⁶

On May 14, when Colonel Robins left for America, Lenin gave him a complete memorandum concerning "Russian-American Commercial Relations," guaranteeing that the military stores in Russia would not be sold to Germany and offering unusual concessions to America.

On May 31 the American Ambassador gave an official statement to the Russian people:

The policy of my Government is not to intervene in the internal affairs of Russia—and this policy has never been violated.

On June 1 he added another public declaration, in which he said:

In other words, the policy of my Government consists in non-intervention in the internal affairs of Russia and in giving the opportunity to the people of this great country to select their own form of government, make their own laws, and elect their own officials.¹⁷

Some might suspect the American Ambassador of deliberate hypocrisy because, according to his own testimony, he had already been working for intervention nearly a month, since May 2, when he sent the Secretary of State this cablegram: "In my opinion the time has arrived for Allied intervention."¹⁸

By July 13 United States marines had landed at Murmansk and British, French, and Serbian forces were moving into the interior, arresting Soviet officials on the way. By that time Tchicherin felt called upon to make an official protest to the United States.

On July 25, after the Bolshevik government had requested the American Ambassador to leave Vologda because of the possibility of military operations, Ambassador Francis sent a message to Tchicherin, in which he said: "Do you expect a German siege of Archangel? Certainly you do not anticipate an Allied siege of that

¹⁶ *Russian-American Relations*. p. 203.

¹⁷ *Izvestia*. June 1, 1918. p. 1.

¹⁸ Francis, David. *Russia from the American Embassy*. p. 298.

city." In spite of this statement it was scarcely more than a week before General Poole had taken Archangel and was moving down towards Vologda.

IV. FROM INTERVENTION TO THE ARMISTICE

These were months of warfare and bitter hostility.

On August 3, 1918, the United States government at Washington officially made the following statement:

In the judgment of the Government of the United States—a judgment arrived at after repeated and very searching consideration of the whole situation—military intervention in Russia would be more likely to add to the present sad confusion there than to cure it, and would injure Russia, rather than help her out of her distress. . . . As the Government of the United States sees the present circumstances, therefore, military action is admissible in Russia now only to render such protection and help as is possible to the Czechoslovaks against the armed Austrian and German prisoners who are attacking them, and to steady any efforts at self-government or self-defense in which the Russians themselves may be willing to accept assistance.

As we have noted, Colonel Robins had already proved thru Captain Webster and Captain Hicks the falsity of the reports regarding serious menace from armed prisoners of war.

On August 23 Trotsky protested against the prisoner of war charge, calling it "an American lie." The United States government in its official pronouncement of policy on August 3 went on to say:

Whether from Vladivostock or from Murmansk or Archangel, the only present object for which American troops will be employed will be to guard military stores which may be needed by Russian forces and to render such aid as may be acceptable to the Russians in the organization of their own self-defence. . . . In taking this action the Government of the United States wishes to announce to the people of Russia that it contemplates no interference with the political sovereignty of Russia, no intervention in her internal affairs—not even in the local affairs of the limited areas which her military force may be obliged to occupy.¹⁹

Yet it was not long before United States troops were sent hundreds of miles into the interior of Russia under

¹⁹ *New York Times Current History*. 8:pt.2:465.

an allied force in which Russians played a subordinate role. In Archangel with Allied connivance all the ministers of the new Northern Government were arrested, and in spite of the efforts of the American Ambassador to bring them back, they found it impossible to function because "the British officers together with some of the French officers had planned a *coup d'état*." Tchaikovsky, the head of the government, was not permitted to publish his own material and, according to the report which Ambassador Francis himself reproduces, the Allied censor commission "had condemned over half of the matter in the proposed issue of the Russian governmental paper, and consequently it was not issued."²⁰

No wonder that on August 6 the Soviet government protested to the American Consul in Moscow:

We therefore request you to inform your government and peoples abroad that a completely unjustifiable attack and a pronounced act of violence is being committed upon us. . . Without a declaration of war and without existence of a state of war, hostilities are opened against us and our national property is pillaged.

On October 24 the Russian Soviet government addressed a note to President Wilson in which they exposed their belief that intervention to protect Czechoslovak soldiers was mere hypocrisy. They said:

The best proof of the real object of the Czechoslovak rebellion is the fact that, altho in control of the Siberian railway, the Czechoslovaks have not taken advantage of this to leave Russia, but by order of the Entente Governments, whose directions they follow, have remained in Russia to become the mainstay of the Russian counter-revolution.

On September 3 the Soviet government disclosed an attempted bribery of Soviet troops by the English and French missions in Moscow. According to the Soviet government, the purpose of the conspiracy was the seizure of the People's Commissars. A British Lieutenant, Riley, paid over a million roubles in this attempt.²¹

²⁰ *Russia from the American Embassy.* p. 276.

²¹ *Izvestia.* September 3, 1918.

In October, 1918, rumors of an approaching armistice reached North Russia. Ambassador Francis in Archangel was forced to cable on the 18th of that month that the French troops would not now fight any more and that American soldiers "were partially inoculated with the same sentiment."

V. FROM THE ARMISTICE TO LIFTING OF BLOCKADE BY SUPREME COUNCIL IN FEBRUARY, 1920

The inevitable consequence of war between nations is mutual hatred and false condemnation. This was the result in the case of Russia and the Allies.

On December 2, Tchicherin sent out to the Allied governments an offer of peace. On December 24, Litvinoff sent an appeal to President Wilson formally offering "to enter into negotiations for a peaceful settlement of all questions making for hostilities against Russia."

On January 12, Tchicherin sent a note to the American government rather effectively exploding former war arguments which had been used to justify American intervention because by this time the war with Germany was over.²²

On January 21, 1919, no less a person than the President of the United States admitted that Russia had been invaded by the Allies because they "were all repelled by Bolshevism." He went on to state that "one of the things that was clear in the Russian situation was that by opposing Bolshevism with arms they were in reality serving the cause of Bolshevism."²³ This was also the official conclusion of the British.²⁴

Before the President made this statement and while he was making it, the American Ambassador was asking that he be allowed to return to Petrograd with fifty

²² *Russian-American Relations*. p. 282.

²³ Hearings before the Committee on Foreign Relations, United States Senate. 1919. *Senate Doc.* 106. p. 1240.

²⁴ Ross, E. A. *The Russian Soviet Republic*. Century Co. 1923. p. 264.

thousand American troops. "This," he said, "would mean the extinction of Bolshevism, would save our faces, and would probably induce troops to obey orders."²⁵ Apparently the only reason which prevented the dispatch of 100,000 allied troops to Archangel at this time was the realization that they would mutiny if ordered to fight the Bolsheviks.²⁶

On January 22 the Allied representatives at the Peace Conference proposed a meeting of all the Russian factions at Prinkipo. They again reiterated: "It is not their (the Allied) wish or purpose to favor or assist any one of the organized groups now contending for the leadership and guidance of Russia as against the others." The Bolsheviks accepted this invitation, but all the other factions refused and the meeting was never held.

On March 14, 1919, the Soviet government sent out by the Bullitt Commission an offer of peace which included recognizing all its foreign debts. To this offer the Allies never replied. On March 19 the credentials of L. C. A. K. Martens, Russia's representative to the United States, were sent to the State Department, but they were not accepted. On June 12, 1919, the State of New York raided the offices of Martens in New York City, but found nothing incriminating. In January, 1920, a Senate Committee made exhaustive investigations into his activities, but nothing against him was discovered. Nevertheless, he was ordered deported in December, 1920, on the sole ground that he represented the Russian Bolshevik government.

In spite of the fact that the Bolsheviks accepted the Prinkipo Conference proposal and offered to settle the debts, the Allied peace commissioners sent Admiral Kolchak on May 26, 1919, a note promising to assist him with "munitions, supplies, and food." It is difficult for the historian to understand how this can be construed as anything but a deliberate violation of their former

²⁵ *Russia from the American Embassy.* p. 324.

²⁶ *Ibid.* p. 309.

statement that they did not wish or purpose to favor any one of the organized groups in Russia. Kolchak had officially stated to the Allies before they supplied him with munitions: "All my efforts are aimed at concluding the civil war as soon as possible by crushing Bolshevism."

In October, 1919, the Allies asked all neutral governments, as well as Germany, to participate in the Blockade of Bolshevik Russia. Among other things clearance papers were to be refused to every ship going into Russian ports. The United States declared on November 4 that it was not participating in the blockade. It only refused "export licenses for shipments to Russian territory under Bolshevik control and clearance papers to American vessels seeking to depart for Petrograd, the only remaining Bolshevik port."²⁷ There followed allied help to Yudenitch, Wrangel, Denikin, Petlura, and yet each and every one of these military adventures was a dismal failure.

On December 5 the seventh All-Russian Congress of Soviets, after reiterating ten distinct proposals for peace made by Russia, passed another resolution proposing peace with the Allies.

On January 16, 1920, over a year after the Armistice, the United States Secretary of State issued a statement declaring that it was the intention of the government to withdraw the American military forces from Siberia in the near future. On the same date the Supreme Council decided to lift the blockade of Russia. Nevertheless, the United States continued to warn business men that they would refuse to protect Americans who engaged in Russian trade.

VI. FROM THE LIFTING OF THE BLOCKADE TILL THE PRESENT TIME

Even after the lifting of the blockade the Allies aided Poland in grossly unjustified attacks on Russia.

²⁷ State Department Russian Series. no. 2.

Since 1920 the United States has practiced a policy of quarantining the Russian Soviet government, which has resulted in continual misunderstanding, growing less in proportion as we permitted normal relationships with Russia. This does not mean that we have never helped Russia. As a matter of fact, the American Relief Administration worked in Russia from October, 1921, to July, 1923, sending in some millions of dollars worth of grain to relieve starvation. It is doubtful, however, if all this work equalled a small fraction of the damage done to Russia by American intervention.

In August, 1922, America offered to send "an expert technical commission to study and report on the economic situation" in Russia. The Soviet government accepted the proposal, provided she could send a reciprocal mission to America. This enabled our Secretary of State to block the entire proposal. President Coolidge in December, 1923, offered to settle with Russia, and again the Soviet government accepted the proposal, but the Secretary of State, in a cold unfriendly note made new demands and refused the offer. Says Lincoln Hutchinson, an opponent of Bolshevism and the first commercial attaché of the United States: "To ask the present rulers of Russia to yield to formal demands of this sort from a foreign government is inviting them to commit suicide." He calls the United States official notes "interventions by foreign governments in the internal affairs of Russia, not legally but practically. They rally the people about the extremists."

In spite of our moral scruples against recognition, America is now eagerly accepting all the Bolshevik gold and welcoming all the Soviet business men which Russia can send. For the year ending September 30, 1926, the All-Russian Textile Syndicate purchased over \$33,000,000 worth of cotton in the United States. Since its organization on December 13, 1923, it has purchased \$116,815,-282.42 of cotton, dyes, machinery, and other merchandise

in the United States. The total turnover of imports and exports from Russia during the year ending September 30, 1926, was over seventy-eight million dollars. While America was entertaining Bolshevik emissaries who had gold and while Ford was shipping 10,000 tractors to Russia on partial credit, the United States Secretary of State refused a transit visa to the Bolshevik Ambassador to Mexico. Apparently a Bolshevik Ambassador is much more dangerous than a Communist with gold! Is it not time to get away from such technical quibblings?

VII. CONCLUSION

It can thus be seen that in the Russian Revolution America has not shown a consistent friendly attitude. Our policy has been a continuous series of vacillations, contradictions, and hostility. It is easy to explain this. The Bolsheviks have confiscated property, repudiated debts, and circulated propaganda for a world revolution. Yet this same Bolshevik government has repeatedly offered to compensate for lost property and assume its debts, and no less a person than President Coolidge has stated that he does not consider Bolshevik propaganda our real obstacle to recognition. Are not these difficulties inevitable so long as we maintain an official policy of rigid separation? At present each side is cut off from the other by an Atlantic Ocean of propaganda, prejudice, and hatred. Each nation thinks the other is worse than she really is. To break down the barriers we must have mutual contact, conference, and cooperation.

Now it is 1927, ten years after the revolution. Every other leading government in the world has recognized the Bolsheviks, and they are stronger than ever before. To be sure, there are conservative governmental leaders, such as those in power in England, who make complaints. They protest against the Russian trade unions sending money to help the British miners, altho it can be argued that they had just as much right to aid British miners

as Americans have to help Armenian merchants in Turkey. Then, again, there is the Communist International with its dreaded propaganda, but we now know from papers seized and published by the British government that the Communist International in 1925 sent less than \$75,000 to the English Communist party and probably far less in 1926.²⁸ When one considers that in Pennsylvania alone, not to mention other states, candidates spend hundred of thousands of dollars to win a primary election, the amount sent over by Russia seems negligible. After the Bolsheviks had given all their aid to the English miners, and after all their propaganda work was known, the chief British minister in Moscow assured me last summer that it was silly not to recognize their government. The fact is, no power that has once accorded the Soviets recognition has ever withdrawn it.

In the past year Russia has extended some help to Chinese Nationalists, but it will be remembered that France once sent aid to American revolutionists and we have ever since been grateful to France. It is quite possible that China may some day be similarly grateful to Russia.

In the message of President Wilson to the Congress of the United States on January 8, 1918, he made a very prophetic utterance in regard to Russia; namely, that "the treatment accorded to her by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, of their intelligent and unselfish sympathy."

We have been tried by the acid test proposed by our own President, and in the light of our ten years' record each sincere thinker can draw his own conclusions. I dare say that many of us may differ in our opinion about the Russian situation, yet touching one matter we shall

²⁸ *Communist Papers*. Documents selected from those obtained on the arrest of the Communist leaders on the 14th and 21st of October, 1925. Presented to Parliament by command of his Majesty, 1926. p. 54-64.

probably agree. Whether we are supporters of a monarchy, of a Kerensky, of a Republican form of government, or of the Soviet System, if we are informed we shall agree at least that the United States has made many serious mistakes in her Russian policy. Even such a bitter opponent of Bolshevism as Paul Mildukov has had to admit that since 1919 the people of Russia have been with the Bolsheviks rather than with their military opponents. Yet America aided those same opponents.

If some people could have their way and Trotsky and Stalin and the other leading Bolsheviks were to be suddenly swept from power, one hundred and thirty million Russian peasants would still remain. It is these millions that are the backbone of Russia, and it is to these people that we shall have some day to explain our policies and our failures.

No one who has been in Russia off and on for the past eleven years can deny the tremendous forward strides taken. The social, educational, and economic progress which I witnessed there last summer speak for themselves. These are not disputed; consult any standard American annual. To be sure, there is dictatorship, a monopoly of party legality for one side. Nevertheless, one who knows the inside of politics in this country, conditions such as exist in Connecticut, Pennsylvania, and Illinois, feels not entirely strange to the Russian variety.

We are prone to judge the Russian government in the light of one hundred and fifty years of American democratic progress. We should rather consider her in the light of our own first political experiments. We should not forget that even at the time of the American Revolution our forefathers had had far more experience in self-government than any other people in the world. Yet it took them eleven years to evolve the Constitution of 1787, and even then we had still to settle the question of slavery. Russia had passed thru a World War, she

had gone thru Allied intervention and, finally, a terrible famine, yet her progress is amazing.

It is well to remind ourselves of the message which the head of the United States Mission to Russia, Senator Root, gave soon after the Bolsheviks had seized the power:

When you read in the newspapers about what happens in Russia, I beg you to remember how the people of Europe looked upon the condition of America for many a long year after the peace that ended the American Revolution. How certain they were that the new experiment in democracy was a failure. How they sneered and laughed at the presumptuous farmers who sought to govern themselves. I beg you to remember what Europe thot of the condition in America in those long, dark years of Civil War, when it was believed that the American experiment had failed at last.

In my opinion, sooner or later we shall have to recognize the Russian government, and the longer we delay the more we shall lose financially, psychologically, and morally in the interim. There are some who doubt Russia's willingness to meet our claims, in spite of her repeated offers to do so. After a decade of rule by the Bolshevik government, can we not at least have a conference with the Russian leaders? Without such a conference, affirmations by American leaders of their friendship for the Russian people, or their positive statements that Russia will not meet our demands, are unconscious falsehoods or deliberate hypocrisy.

The past decade of the Russian Revolution has been making history whether we recognize her government or not, and history will eventually record her verdict of America's policy. Let us hope that sometime in the future we may really practice the following noble utterance of Lincoln in our actions toward Russia. Mere verbal repetition is not enough. "With malice toward none; with charity for all; with firmness in the right,

as God gives us to see the right, let us strive to do all which may achieve and cherish a just and lasting peace among ourselves and with *all* nations."

THE PROS AND CONS OF SOVIET RECOGNITION ²⁹

The question of the recognition of the Soviet government of Russia by the United States is one of the most vital international problems confronting the American people. The discussion of this problem should be based upon a sound appraisal of the principles involved and a clear understanding of the purposes and results of the recognition of one government by another. In the public discussion of this question there has been a great deal of loose thought and speech.

There seems to be a widespread impression that when the United States government recognizes a new government in another country it is actuated primarily by motives of good will, and that the result of recognition is to fasten upon the new government the seal of approval of the United States. Nothing could be further from the truth. Usually the primary motive of a government in recognizing the government of another state is self interest. It simply seeks to establish relations which will enable it to protect the life, liberty and property of its citizens and to promote their interests, and reciprocally to establish a basis for dealing with the other country and its citizens. The recognition of a newly established government by the United States government does not remotely carry with it the implication that the aims and practices of the new government meet with our approval or inspire our admiration.

Our government was the first of the Great Powers to support the *de facto* theory of recognition as contrasted with the *legitimacy* theory. The American State De-

²⁹ From an article by Paul D. Cravath. *Foreign Affairs*. 9:266-76. January, 1931.

partment has consistently adhered to the de facto theory for more than a century, except for occasional departures by Secretary Seward due to the exigencies of the Civil War and by other Secretaries of State in connection with the recognition of revolutionary governments in Latin America in the exercise of the somewhat paternal responsibilities imposed upon our government by the Monroe Doctrine. The theory and practice of our State Department were admirably summarized in a memorandum of Mr. A. A. Adee, Assistant Secretary of State, on March 28, 1913, as follows:

It will, I think, simplify the matter to keep in mind the distinction between the recognition necessary to the conduct of international business between two countries and the recognition of the form of government professed by a foreign country.

In the former case, ever since the American Revolution, entrance upon diplomatic intercourse with foreign states has been de facto, dependent upon the existence of three conditions of fact: the control of the administrative machinery of the state; the general acquiescence of its people; and the ability and willingness of their government to discharge international and conventional obligations. The form of government has not been a conditional factor in such recognition; in other words, the de jure element of legitimacy of title has been left aside, probably because liable to involve dynastic or constitutional questions hardly within our competency to adjudicate, especially so when the organic form of government has been changed, as by revolution, from a monarchy to a commonwealth or vice versa. The general practice in such cases has been to satisfy ourselves that the change was effective and to enter into relation with the authority in de facto possession.³⁰

Our government has frequently established cordial diplomatic relations with governments that were notoriously autocratic and vicious. Usually the sole test that our government seeks to apply is whether the new government is sufficiently entrenched in power effectively to govern within its own borders and to perform its international obligations. After that test has been met, our government in the recognition of governments in the eastern hemisphere does not usually concern itself

³⁰ *Foreign Relations of the United States*. 1913. p. 100.

with the morals or motives of the government seeking recognition.

If we bear these principles in mind, a brief review of the attitude of our government toward the recognition of the Soviet government as compared with the policy pursued by other governments will go far to explain the present popular misapprehension in this country regarding the consequences of recognition of Soviet Russia.

The Soviet Revolution occurred in November, 1917, a year before the armistice that ended the European War. During that year and for some time thereafter, certain of the Allied and Associated Powers acting in concert with White armies were engaged in hostilities against Soviet Russia. Those hostilities did not end until early in 1920. At first the Allied Powers were disposed to boycott the Soviet government. This was the natural result of the irritation caused by Russia's desertion of the cause of the Allies at a critical period of the war, of the aversion felt in capitalistic countries for the principles and practices of the Soviet Revolutionary government and of the widespread doubt regarding its permanence.

As soon as it became apparent that the Soviet government was the sole constituted authority in Russia and was likely to remain in power indefinitely, the principal European governments, recognizing the practical necessity of having dealings with Russia, began opening diplomatic relations. Estonia and Finland, having the greatest need of relations with their powerful neighbor, extended *de jure* recognition before the end of 1920. Poland followed in 1921 and Germany in 1922.

In the spring of 1922 occurred the Genoa Conference, instigated by Lloyd George, in the course of which the statesmen of Great Britain, France, Italy, Belgium and Germany met with Soviet statesmen in an effort to work out a formula under which Russia might be admitted to the European family of nations. This con-

ference failed, but while it was in progress the representatives of Germany and Russia negotiated the Rapallo Agreement, which practically wiped the slate clean as between the two nations and confirmed the recognition of the Soviet government by Germany which had already been granted by the Treaty of Brest Litovsk.

Great Britain, France, Italy, Sweden, Denmark, Austria, Norway and Greece recognized the Soviet Republic in 1924, and by 1927 all the governments of Europe except Switzerland, Czechoslovakia, Jugoslavia, Rumania, Bulgaria, Spain, Hungary, Portugal, Holland and Belgium had extended *de jure* recognition. France expelled the Soviet representative in 1927, but his successor was appointed shortly thereafter. Great Britain withdrew its Ambassador to Russia the same year, but resumed diplomatic relations in 1929, upon the advent of the present Labor government.

There can be no doubt that these European nations, in recognizing the Soviet government, were actuated primarily by considerations of self-interest. It was natural that Estonia, Finland, Persia and Poland—all of which border on Russia—should be among the first to establish diplomatic relations. Germany, Great Britain, France, Italy and Japan established relations as soon as economic conditions in Russia showed signs of becoming sufficiently stable to justify the hope of commercial intercourse with the rest of the world on a substantial scale. It certainly did not occur to any of the European governments that in recognizing the Soviet government they were placing the stamp of their approval on the methods used in establishing its power or on the policies it was pursuing in the exercise of that power.

Uninfluenced by the policy pursued by European governments, the United States government has consistently pursued the policy of non-recognition. The first official statement of that policy was contained in a note which Secretary of State Colby addressed to the

Italian Ambassador on October 10, 1920. Mr. Colby, while referring to the communistic doctrines and practices of the Soviet government which were at variance with those of other civilized nations, emphasized as the principal ground of his policy of non-recognition what was clearly the soundest ground. It was that the Soviet government by its own declarations could not be trusted to carry out its international obligations. He said:

The responsible leaders of the régime have frequently and openly boasted that they are willing to sign agreements and undertakings with foreign Powers while not having the slightest intention of observing such undertakings or carrying out such agreements. This attitude of disregard of obligations voluntarily entered into, they base upon the theory that no compact or agreement made with a non-Bolshevist government can have any moral force for them. They have not only avowed this as a doctrine, but they have amplified it in practice.

In a note transmitted to the American Consul at Reval on March 25, 1921, Secretary Hughes announced that relations would not be opened with Soviet Russia until convincing provision had been made for: (1) the safety of life; (2) the recognition of firm guaranties of private property; (3) the sanctity of contracts; and (4) the rights of free labor. In a letter to Samuel Gompers dated July 19, 1923, Secretary Hughes at greater length reiterated the same requisites of recognition, emphasizing the Soviet government's "persistent attempts to subvert the institutions of democracy as maintained in this country."

In his message to Congress of December 6, 1923, President Coolidge somewhat liberalized the government's attitude toward trade by American nationals with Russia; but he added:

Our government does not propose, however, to enter into relations with another régime which refuses to recognize the sanctity of international obligations. I do not propose to barter away for the privilege of trade any of the cherished rights of

humanity. I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanctions of our government go.

But while the favor of America is not for sale, I am willing to make very large concessions for the purpose of rescuing the people of Russia. Already encouraging evidences of returning to the ancient way of society can be detected. But more are needed. Whenever there appears any disposition to compensate our citizens who were despoiled, and to recognize that debt contracted with our government, not by the Czar, but by the newly formed Republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works meet for repentance, our country ought to be the first to go to the economic and moral rescue of Russia.

Mr. Chicherin, the Soviet Commissar for Foreign Affairs, thot, or professed to think, that he discovered an encouraging note in this pronouncement and promptly sent President Coolidge a dispatch in which he expressed the Soviet government's readiness to discuss with the United States government all of the problems mentioned in the President's message, these negotiations to be based on the "principle of mutual non-intervention in internal affairs," and added that:

As to the questions of claims mentioned in your message, the Soviet Government is fully prepared to do all in its power, so far as the dignity and interests of its country permit, to bring about the desired end of renewal of friendship with the United States of America.

President Coolidge referred the Chicherin note to Secretary Hughes, who promptly made public the following statement:

There would seem to be at this time no reason for negotiations. The American Government, as the President said in his message to the Congress, is not proposing to barter away its principles. If the Soviet authorities are ready to restore the confiscated property of American citizens or make effective compensation, they can do so. If the Soviet authorities are ready to repeal their decrees repudiating Russia's obligations to this country and appropriately recognize them, they can do so. It requires no conference or negotiations to accomplish these results, which can and should be achieved at Moscow as evidence of good faith. The American Government has not incurred liabilities to Russia or repudiated obligations. Most serious is the continued propaganda to overthrow the institutions of this

country. This Government can enter into no negotiations until these efforts directed from Moscow are abandoned.

In the light of subsequent events it is perhaps to be regretted that the Soviet offer of an attempt to negotiate a basis for recognition was not accepted, altho it should be remembered that at that time none of the Great Powers except Germany had recognized the Soviet government, and the failure of the Genoa Conference of the previous year was still fresh in the memory of statesmen.

The official utterances of the President and Secretary of State were sympathetically received by American public opinion, already aroused to distrust of the communistic régime in Russia and all its works. The note thus given to public discussion of American recognition of Soviet Russia goes far to account for the popular impression that recognition might involve a surrender of "cherished rights of humanity" or of "American principles."

Let us now turn the discussion to the sound utilitarian basis where it belongs. It must be recognized that the United States government cannot be expected to enter into diplomatic relations with the Soviet government except upon reasonable conditions. From the pronouncements of the State Department it is apparent that the "works meet for repentance" reasonably to be expected of the Soviet government as a condition of recognition include satisfactory assurances upon the following questions: (1) recognition of the sanctity of international engagements; (2) the return of, or adequate compensation for, the property of American nationals confiscated by the Soviet government after the revolution in 1917; (3) recognition of the debts contracted with our government and our nationals by the Kerensky government; and (4) the cessation of subversive activities directed from Moscow against our institutions.

The soundness of the first of these conditions no one will question, for it is axiomatic that no government is

entitled to recognition by other governments unless it is willing and able to perform its international obligations. It is probable that the Soviet government would accept that condition without debate, for in spite of declarations to the contrary by Lenin and other communist leaders, the Soviet government has repeatedly professed a determination to perform its own obligations, even in its dealings with nations of the capitalistic world.

The second and third conditions present more serious difficulties. The abolition of private property and the transfer to the state of all property except purely personal belongings lies at the very foundation of the entire Soviet economic and political structure. The Soviet authorities profess to see no reason in principle why an exception in the application of that doctrine should be made in favor of foreigners. While the condition laid down by our State Department is confined to property owned by, and debts owing to, our government and our nationals, any concession made to Americans would doubtless have to be extended to other nations. Indeed, the Rapallo Agreement, which provides for the mutual cancellation of debts and claims as between Russia and Germany, expressly provides that in case the Soviet government should at any time recognize claims held by nationals of other nations, the same recognition must be granted to German nationals. There is a similar agreement with Japan.

Another complication involved in the discussion of foreign claims against Russia is the insistence of the Soviet government upon the simultaneous consideration of Russia's claims against certain of the Allied and Associated Powers, doubtless including the United States, for damages resulting from their support of the various campaigns waged against the Soviet government by White armies during the three years following the outbreak of the Soviet Revolution. The contention of the Russian government is that the support by foreign

governments of counter-revolutionary warfare resulted in claims by Russia against those governments similar to the claims that were sustained by the Geneva award in favor of the United States against Great Britain for the depredations to American shipping caused by the Alabama and other privateers fitted out in British ports during our Civil War. This is no place for a discussion of the validity of the Russian counter-claims. It is enough to say that they are not so frivolous that they can be dismissed without consideration. Professor Schuman, of the University of Chicago, in his book *American Policy Toward Russia Since 1917*, after a review of the facts and the law, reaches the conclusion that these counter-claims are valid in substantial amounts. However this may be, it is difficult to see how the United States can refuse at least to give its reasons for not recognizing them.

The aggregate amount of the American claims against Russia has never been ascertained. It is estimated that at their face value they may amount to as much as \$750,000,000. Still more uncertain is the amount of Russia's claims against the United States. At the Genoa Conference, the Soviet representative submitted fantastic claims against the Allied governments, far in excess of their aggregate claims against Russia. If they are ever admitted in principle, the Russian claims against the Allied and Associated governments that supported the White armies will involve not only the determination of their aggregate amount but also their apportionment between the Allied nations and the United States, whose part in supporting the White armies in Russia was different from that of Great Britain and France. The United States might even escape liability entirely.

Enough has been said to show that it would be impossible to reach an agreement upon the reciprocal claims between the American and Soviet governments without

an extended inquiry. Even if there be ground for hope that an agreement might ultimately be reached, is it wise diplomacy to insist upon a definitive agreement as a condition of recognition? Would it not be wiser to pursue the course that was adopted by the United States government in dealing with somewhat similar problems in its relations with the present revolutionary government in Mexico, which had assumed an attitude toward American property rights not dissimilar in principle to that of the Soviet government? Instead of insisting upon a definitive settlement of the American claims as a condition of recognition, the United States government sent a diplomatic mission to Mexico to ascertain by negotiation with the Mexican government whether there could be found a promising basis for the ultimate recognition and determination of those claims. Upon receiving a satisfactory report from its mission, the American government entered into diplomatic relations with the revolutionary government in Mexico and after prolonged negotiations the American Ambassador brought about a settlement of most of the questions at issue between the two nations. Would not a similar course in dealing with the Soviet government be more likely to be effective than our continued insistence on unconditional recognition of the American claims as a prerequisite to recognition?

The fourth condition, that the Soviet government shall give satisfactory assurance of the cessation of subversive activities against our institutions, may prove the most difficult of all. The Soviet government insists that neither it nor any of its agents in this country has engaged in subversive activities within our borders directed against our institutions. This may be literally true. It seems highly improbable that the Russian government trading companies and their affiliated organizations have committed the fruitless folly of participating in subversive activities within our borders. On the other

hand, there can be no doubt that the Russian Communist Party and the Third International have been and are likely to continue to be active in communistic propaganda all over the world. It is hard to accept the distinction that the Soviet spokesmen draw between the Soviet government on the one hand and the Communist Party and the Third International on the other, inasmuch as in the last analysis the Soviet government and the Third International are both creatures of the central organization of the Communist Party. Stalin, altho holding no office in the Soviet government, is the dominating figure in the Communist Party. One day he speaks for the Soviet government as the exponent of the doctrines of his party, and the next he may openly support the plans of the Third International looking toward world revolution. He would doubtless say that the Soviet government is no more responsible for the activities of the Third International and the Communist Party than our government is for the activities of the Republican Party or the Methodist Board of Foreign Missions. The obvious answer to this attempted parallel is that the Communist Party is the only recognized political party in Russia and the Soviet government is its creature.

Considering that the communist leaders are devoted to communism with all the fervor of religious zealots, it is probably too much to expect, whatever may be their professions, that they will surrender the right of the Third International to continue communistic propaganda. In the face of the present open unfriendliness of our government and the American nation toward the Soviet government, it would not be surprising if under existing conditions the leaders of the Communist Party felt justified in going the limit in their subversive propaganda in this country, provided the official Russian agents within our borders held aloof. On the other hand, in spite of the bad record of the Soviet government in carrying out its promises to other governments to refrain

from propaganda, it may well be that, when recognition has removed the principal cause of irritation in Russia against the United States, the communist leaders will deem it to their interest to terminate their subversive activities in this country, which they must have found by experience to be futile in promoting the cause of communism within our borders.

On the assumption that the question of our recognition of the Soviet government is to be dealt with primarily on the basis of our self-interest, it may be asked what advantage recognition would bring to us. The reverse of the question is more easily answered. How does the United States profit by the government's policy of non-recognition? To many the obvious answer would be that we preserve our self-respect by not recognizing a government whose principles and practices are so abhorrent to us and so widely at variance with those on which our civilization is based. But as already pointed out, our self-respect is not involved, as recognition does not remotely involve approval of Soviet principles and methods. In the first years following the Soviet Revolution in 1917 the principal Allied nations of Europe and the United States by withholding recognition undoubtedly intended to discredit and weaken the Soviet government in the hope that it would soon fall and be succeeded by some form of government based on principles more in harmony with those which actuate the other governments of the civilized world. That quite legitimate gesture failed. It certainly has ceased to be of value to the United States now that most other governments have adopted the policy of recognition. It may be said that it is against the interests of our government to encourage a government professing principles which, if they triumph, would be subversive of our social and political institutions. It is a question whether the attitude of our government in respect of recognition would have an appreciable influence on the

ultimate fate of the Soviet government. Our government is so fully committed to the policy of non-interference with the internal affairs of European nations that it would not be influenced by the factor which, for a time, undoubtedly influenced European governments, that by the policy of non-recognition they preserved their freedom to support counter-revolutionary movements in an attempt to overthrow the Soviet government and bring about the substitution in its stead of one with which enlightened governments could more effectively cooperate.

The obvious advantages of a policy of recognition are those upon which the whole system of diplomatic relations between civilized nations is based. Our government would be in a position thru its diplomatic representatives to protect the life, liberty and property of Americans visiting, or sojourning in, Russia, of whom there are already several thousand annually, who are now dependent upon the good offices of the diplomatic representatives of other governments. Our government would be able by the usual diplomatic methods to encourage and protect American trade with Russia. There is much force in the view that when in 1923 our government by presidential proclamation encouraged American merchants and manufacturers to engage in trade with Russia it owed our citizens the duty of protecting this trade by the usual diplomatic machinery. Only by the establishment of diplomatic relations can outstanding differences between the United States and Russia, such as those in relation to dumping and convict labor, be dealt with adequately. With an Ambassador at Moscow and consuls in the principal trading centers of Russia our government would be able to assemble reliable information for the guidance of our merchants, manufacturers and bankers, who are now dependent upon the casual and often prejudiced reports of unofficial observers.

Finally, it seems a great pity that the United States should be the only one of the Great Powers which has deliberately excluded itself from exercising any influence thru the usual diplomatic channels in the development of the institutions of the most populous nation in Europe, whose return to economic, social and political stability is essential for the peace and prosperity of the civilized world.

An attempt by the United States to negotiate a satisfactory basis for the recognition of the Soviet government of Russia would be full of difficulties, and diplomatic relations, if established, might prove hard to maintain, for the Soviet statesmen have not shown an aptitude for cooperation. But is not the stake sufficient to make the attempt worth while?

POLICY OF UNITED STATES AND OTHER
NATIONS WITH RESPECT TO RECOG-
NITION OF THE RUSSIAN SOVIET
GOVERNMENT, 1917-1929³¹

The Russian government in 1914 was still an autocratic government. The Duma, which had been forced upon the Czar in 1905, during the Russo-Japanese War, had never been permitted to develop into a really representative legislative assembly. But the government was unable to maintain its position thru the great war. In August, 1915, a sort of progressive bloc was formed by a number of progressive groups in the Duma for the purpose of urging immediate and drastic governmental reforms, such as parliamentary government and liberal suffrage. But demands for political and administrative reform were ignored by the government.

³¹ From article by N. D. Houghton, Assistant Professor of Political Science, University of Arizona. *International Conciliation*, no. 247. February, 1929.

THE PROVISIONAL GOVERNMENT OF 1917

When the Duma met in February, 1917, it protested vigorously against the method of conducting the war. In a few days it was prorogued, but it refused to disband, and instead declared itself to be the sole constitutional authority in the country. The revolutionary spirit spread rapidly following this action by the Duma, and on March 15, Czar Nicholas II abdicated in favor of his brother, Grand Duke Michael. The latter refused, however, to accept the throne unless called by the people to do so. He urged "all Russians to submit to the Provisional government," which consisted of a ministry chosen from and responsible to the Duma.

The Provisional government was recognized by the United States and the Entente powers, the United States being the first to recognize it. On March 22, 1917, the American Ambassador, David R. Francis, addressed the Council of Ministers as follows:

I have the honor as the Ambassador and representative of the Government of the United States accredited to Russia, to state, in accordance with instructions, that the Government of the United States has recognized the new Government of Russia, and I, as Ambassador of the United States, will be pleased to continue intercourse with Russia through the medium of the new Government.

THE SOVIET GOVERNMENT

But, once the revolution was started it was very difficult to check it. An unsuccessful attempt was made by the Bolsheviki to seize the reins of power in July, 1917. The provisional ministry, henceforth under the leadership of Kerensky, attempted to carry on the government in the face of the rapidly growing Bolshevistic power, whose ultimate triumph was certain.

In November, 1917, the Bolsheviki overthrew the Provisional government, arresting all the ministers except two. Immediately, the Third All Russian Congress of Soviets formally proclaimed the Russian Socialist

Federated Soviet Republic, and placed the conduct of affairs in the hands of a Council of Peoples' Commissars, with Lenin as Premier and Trotsky as Peoples' Commissary for Foreign Affairs.

BOLSHEVIK POLICIES

The aim of the revolution was the establishment of a *dictatorship of the proletariat*, which Lenin defined to mean the "dictatorship of its determined and conscious minority." The immediate objects of the new régime were:

1. to make peace with the Central powers;
2. to bring about an immediate social and economic revolution; and,
3. to institute a scheme of government based on a system of soviets.

The Bolshevik authorities proceeded to make peace and issued a series of decrees with the purpose of ushering in the new social and economic order. It was declared that:

. . . private ownership of land is abolished, and the whole land fund is declared common property and transferred to the laborers without compensation, on the basis of equalized use of the soil.

All forests, minerals, and waters of state-wide importance, as well as the whole inventory of animate and inanimate objects, all estates and agricultural enterprises are national property. . .

The transfer of all banks into the ownership of the Workers' and Peasants' State is confirmed, it being one of the conditions of the emancipation of the laboring masses from the yoke of capital.

The Soviet government was established as a purely revolutionary régime, based upon no mandate from the people. The Provisional government had called an election to choose delegates to a Constituent Assembly. It was held, and the meeting was to have convened on November 27, 1917. The body did not contain a majority of Bolsheviks, so it was not permitted to meet until

December, and then it was promptly suppressed by the Bolshevik authorities.

The Fifth All Russian Congress of Soviets, which consisted exclusively of delegates from Bolshevik soviets, adopted a written constitution of the "Russian Socialist Federated Soviet Republic," on July 10, 1918. It was put into operation without a popular referendum or ratification by local bodies of any sort. The new constitution was built upon the foundation laid by the earlier decrees, and was designed to set up a permanent government based upon the soviet system and to establish and promote a new and extremely socialistic economic and social order.

From November, 1917, to December, 1922, the government of the Russian Socialist Federated Soviet Republic acted in matters of foreign affairs as an international entity. In December, 1922, the new "Federation [or "Union"] of Soviet Socialist Republics," of which Soviet Russia is only one of the units included, was organized. The other units included were the White Russian, the Ukrainian, and the Trans-Caucasian Soviet republics. This new arrangement has been described as "the first step in the formation of a world-wide union of Soviet republics, the government of each unit now included or hereafter to be included therein founded on the dictatorship of the proletariat." It is also asserted that: "Today, therefore, foreign States asked to enter into relations with the present Soviet régime are invited to extend recognition to, and enter into relations with what may in fact be likened to a Red League of Nations, with a superimposed central government."

Almost immediately upon the assumption of power by the Bolshevik régime, it inaugurated certain policies which have proved to be very great obstacles to the obtaining of recognition by foreign governments. The early decrees confiscating land and natural resources have already been mentioned. The new constitution confirmed

and extended these earlier decrees. It declared that, "as a first step towards complete transfer of ownership to the Soviet Republic of all factories, mills, mines, railways, and other means of production and transportation, the Soviet law for the control by workmen and the establishment of the Supreme Soviet National Economy is hereby confirmed, so as to assure the power of the workers over the exploiters." In September, 1918, the "Fundamental Law of Socialization of the Land" became effective, making detailed provision for the administration of the nationalized properties and declaring that there should be no compensation of any sort "open or secret to the former owners."

In a decree of January 21, 1918, the Soviet authorities declared that "Unconditionally, and without any exceptions, all foreign loans are annulled." And the constitution expressed the hope that, "the Soviet government will firmly follow this course until the final victory of the international workers' revolt against the oppression of capital."

A government which would adopt such an extended policy of confiscation and repudiation must certainly be prepared to find itself and its system out of harmony with, and opposed by, governments and peoples who hold that the principle of good faith is of the very essence of sound governmental and international practice. In fact, it has been asserted that the leaders of the Bolshevik régime "recognized fully . . . that the Bolshevik conception of society and the social order of Western Europe are in their fundamentals so directly opposed one to the other that harmonious and friendly relations between political systems embodying these different ideas are impracticable and indeed impossible."

This realization of the apparent incompatibility of the two social systems is alleged to have led the Soviet authorities to pursue a third policy, which has been quite as offensive to other powers as confiscation and repudia-

tion, namely, a policy of promoting and encouraging revolution against the established governments of the world. A decree issued on December 13, 1917, declared that it was considered necessary "to come forth with all aid, including financial aid, to the assistance of the left, internationalist wing of the workers' movement of all countries, entirely regardless whether these countries are at war with Russia, or in alliance, or whether they retain their neutrality. With these aims the Soviet Peoples' Commissars ordain the assigning of two million rubles for the needs of the revolutionary internationalist movement, at the disposition of the foreign representatives of the Commissariat for Foreign Affairs." And, in order to facilitate the fostering of revolutionary propaganda, the Russian Communist Party organized the Third International at Moscow in March, 1919. It is charged that the Russian Communist Party controls and directs both the Soviet government and the Communist or Third International, that both are agencies of the Communist Party, which, for purposes of internal administration, functions thru the Soviet government, and for international revolutionary purposes, functions thru the Third International.

QUESTION OF RECOGNITION BY EUROPEAN STATES

These objectionable features of the policy of the Soviet régime caused it embarrassment when it sought to enter into relations with other governments and to obtain their recognition and financial support. On May 2, 1922, the powers represented at the Genoa Conference sent the Soviet government a note setting forth certain conditions which must be met in order that Russia might expect to receive any foreign aid. Among these conditions were:

1. that the Soviet government recognize and bind itself to meet financial obligations contracted by it or by its predecessors;
2. that it agree to make restitution for foreign property taken under the nationalization decrees and laws; and,

3. that the propagation of Russian revolutionary propaganda in foreign countries be discontinued.

In its response to these demands, on May 11, 1922, the Soviet government set forth what it called a "principle of right," namely, "that revolutions which are a violent rupture with the past carry with them a new juridical status in the external and internal relations of States." It was argued that: "Governments and systems of government which have emerged from a revolution are not bound to respect the obligations of governments which have lapsed." It was pointed out that, the "French Convention of which France considers herself to be the legitimate successor, proclaimed on the twenty-second of September, 1792, that 'the sovereignty of peoples is not bound by the treaties of tyrants'"; and that, "In conformity with this declaration revolutionary France not only tore up political treaties of the old régime with foreign countries but also repudiated its national debt"; and that, "She only consented, and that from motives of political opportunism, to pay one-third."

Declaring that, "Governments of victorious States during war, and particularly at the conclusion of peace treaties, have not hesitated to seize goods of the nationals of vanquished States situated within their territory, and even within foreign territory," the Soviet note contended that: "In conformity with precedent, Russia cannot be compelled to assume any responsibility toward foreign powers and their nationals for the annulment of the public debt and for the nationalization of property," and that, "from the point of view of law, Russia is in no way bound to pay debts of the past, to make restitution of property or to compensate its former owners any more than she is bound to pay compensation for other losses suffered by foreign nations, either as the result of legislation which Russia has chosen in the exercise of her sovereign rights to give herself, or as a result of the events of the revolution."

The note gave no pledge to refrain from the spreading of revolutionary propaganda in foreign countries, but denied any responsibility of the Soviet government for the acts of political parties or labor organizations.

In a speech in the House of Commons, on April 16, 1919, Mr. Lloyd George stated that: "the Bolshevik government has committed crimes against the Allied subjects, and has made it impossible to recognize it even as a civilized government." Certainly there was little in the Soviet declarations of May, 1922, just referred to, to indicate to the British government, or to any other government, that the Soviet government proposed to make amends for its alleged misconduct. Yet, on February 1, 1924, the British Labor government recognized the Soviet government as the *de jure* government of Russia.

It has been asserted that Great Britain seems to have considered that it could better deal with the Soviet régime upon questions of international obligations and revolutionary propaganda *after* recognition than before. In the note of recognition, the British government suggested that negotiations be opened with a view to a settlement of questions pending between the two governments, particularly the question of British claims against the Soviet government. And attention was called to the fact that: "It is also manifest that genuinely friendly relations cannot be said to be completely established so long as either party has reason to suspect the other of carrying on propaganda against its interests and directed to overthrow its institutions."

The Soviet government, on February 16, 1924, expressed its willingness to enter upon negotiations looking toward a settlement based on a reciprocal consideration of the claims of each government against the other, and declared that it "considers that mutual confidence and non-interference in internal affairs are essential." This suggestion was not considered satisfactory to the British government.

France was no more successful than other countries in obtaining a satisfactory settlement of its claims against the Soviet régime. Finally, on October 28, 1924, the French government, upon the advice of a commission, which had been appointed to confer with the Russians as to conditions for French recognition, recognized the Soviet government as the *de jure* government of Russia.

The French note of recognition stated that the French government "recognizes *de jure* from this date the government of the Union of Soviet Socialist Republics as the government of the territories of the former Russian Empire where its authority is accepted by the inhabitants, and in these territories as successor to the preceding Russian governments." Asserting the readiness of the French government to establish regular diplomatic relations, the note stated that:

In notifying you of this recognition, . . . the government of the Republic believes in the possibility of a general agreement between our two countries, of which the resumption of diplomatic relations is a preface.

In this respect it wishes it to be understood that it expressly reserves the rights of French citizens acquired under obligations contracted by Russia or its dependents under ante-war régimes, obligations the respect of which is guaranteed by the general principles of law, which are for us the rule of international life. The same reservations apply to responsibilities assumed since 1914 by Russia toward the French state or its dependents.

As soon as you have made known your assent to opening negotiations of a general order, and more particularly of an economic order, we shall welcome to Paris your delegates furnished with full powers to meet our negotiators. . .

Finally, it must be understood once for all that non-intervention in internal affairs shall rule in the relations between the two countries.

The Soviet reply to the French note accepted the proposal for negotiations for the settlement of pending questions between the two governments, agreeing to "open negotiations without delay and conduct them toward a friendly solution of the problems interesting the two States," and expressing the "firm hope that these questions will be totally settled in the interests of the two

countries." The note stated that: "As does the French government, the Central Executive Committee of the Union of Soviet Socialist Republics considers that mutual non-intervention in internal affairs is an indispensable condition to relations with all States in general and with France in particular, and greets with satisfaction the French government's declaration in that regard."

Thus, France, like Great Britain, recognized the Soviet government in the hope of adjusting pending difficulties with it thru later negotiations. An editorial in the *New York Times* of October 29, 1924, stated that: "French recognition of the Soviet government is on the new model created by MacDonald last winter. Recognition used to mean that the recognizing government had satisfied itself that normal relations with the party of the second part were feasible and desirable. MacDonald's *de jure* recognition of Moscow established a form of international trial marriage. You recognized first and then you proceeded to find out if you could live together."

However, in the cases of both Great Britain and France at that time, questions of foreign policy were somewhat complicated by considerations of internal politics, the pressure of which is said to have had some influence upon the matter of the recognition of the Soviet government. While MacDonald and Herriot were both in the opposition in their respective countries, recognition of the Soviet government had become a part of the radical creed. When they came into power, they found themselves more or less committed to a favorable consideration on the question. And in order to retain the support of some of their socialistic adherents, it became advantageous, if not actually necessary, to recognize the Soviet government.

QUESTION OF RECOGNITION BY THE UNITED STATES

There is no question but that the Soviet government has been, during a period of several years, the only

actual government in Russia. So, if the mere fact of its existence and of its actual exercise of control were the only factors to be considered, it should be recognized. Yet the government of the United States has steadfastly refused to recognize it.

David R. Francis, who was the American Ambassador to Russia, accredited to the Czar's government in 1916, and who remained in Russia until 1919, continually advised against recognition of the Soviet régime. President Wilson based his refusal to recognize the Soviet government on two considerations:

1. that it did not have the sanction of the Russian people; and,
2. that the United States could not recognize any pretended government which refused to respect its international obligations.

The latter has proved to be the more significant of the two, having a number of different aspects. Mr. Wilson was convinced that the Soviet régime, committed, as it was alleged to be, to the fomenting of world revolution, was insincere in its promise and dealings with so-called *capitalist* governments. Mr. Wilson declared in 1919:

In the view of this government there cannot be any common ground upon which it can stand with a Power whose conceptions of international relations are so entirely alien to its own, so utterly repugnant to its moral sense. There can be no mutual confidence or trust, no respect even, if pledges are to be given and agreements made with a cynical repudiation of their obligations already in the mind of one of the parties. We cannot recognize, hold relations with, or give friendly receptions to the agents of a government which is determined and bound to conspire against our institutions, whose diplomats will be the agitators of dangerous revolt, whose spokesmen say that they sign agreements with no intention of keeping them.

In a note to the Italian Ambassador at Washington, on August 10, 1920, Secretary Colby stated that the government of the United States was convinced "against its will, that the existing régime in Russia is based upon the negation of every principle of honor and good faith, and every usage and convention underlying the whole structure of international law, the negation, in short, of

every principle upon which it is possible to base harmonious and trustful relations, whether of nations or individuals." And in a statement for the press in January, 1921, Mr. Colby asserted that the "refusal [of the Wilson administration] to recognize the Soviet government was due in the first place to the fact that it was itself the denial of self-determination to the Russian people, being a rule by men who violently usurped power and destroyed the democratic character of the Russian people's government. Even more, however, it was due to the fact that the Soviet authorities announced that they would not be bound by any of their most solemn pledges, freely entered into, and the further fact that by their actions, in the case of several friendly nations, they have lived up to that announcement. There can be no useful and harmonious cooperation toward the end of placing civilization upon a sound basis with such men."

REPRESENTATIVES OF THE RUSSIAN STATE IN THE UNITED STATES

The Ambassador of the Provisional government of Russia, Mr. Bakhmeteff, remained at Washington, continuing to be recognized by the government of the United States as the *Ambassador of Russia* for nearly five years after the fall of the Provisional government. And, when, on April 28, 1922, Mr. Bakhmeteff notified Secretary Hughes that he proposed to retire on June 30, Mr. Hughes replied that he considered his retirement to be desirable. However, Secretary Hughes issued a formal statement, on June 4, 1922, to the effect that: "The termination of Mr. Bakhmeteff's duties as Russian Ambassador in this country has no bearing whatsoever upon the question of the recognition of the Soviet régime in Russia, which is an entirely separate matter."

Mr. Serge Ughet, financial attaché of the Russian legation, succeeded Mr. Bakhmeteff as the Russian representative in the United States, and the diplomatic re-

lationship of Russia to the United States "was not considered to be altered by the termination of the ambassador's duties," according to a statement by Mr. Hughes on February 19, 1923. It should be pointed out, however, that the United States government has dealt with both Mr. Bakhmeteff and Mr. Ughet, not as representatives of the Kerensky government, but rather as representatives of the *Russian State*, whose interests it has deemed to be desirable to have represented during the period of non-recognition of the Soviet government.

REASONS FOR NON-RECOGNITION BY THE UNITED STATES

The government of the United States loaned to the Provisional government of Russia about \$187,000,000. The Imperial government had, in 1916, floated its bonds to the amount of \$75,000,000 on the American market. These loans have been repudiated by the Soviet régime. Moreover, it confiscated property of Americans to the amount of some \$443,000,000. Thus the United States has a claim against Russia for more than \$700,000,000. As one of the conditions essential to any consideration of the matter of recognition, the government of the United States has demanded that the Soviet government recognize unconditionally its liability for these claims. The United States has also demanded, as another essential condition to a possible recognition, that the Soviet authorities cease to encourage or support propaganda for the overthrow of American political institutions.

In his message to Congress, on December 6, 1923, President Coolidge, speaking of the Soviet government, stated that: "Whenever there appears any disposition to compensate our citizens who were despoiled and to recognize that debts contracted with our government, not by the Czar, but by the newly formed Republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works meet for repentance, our country ought to be the first to go to the

economic and moral rescue of Russia." But, he declared that: "Our government does not propose, however, to enter into relations with another régime which refuses to recognize the sanctity of international obligations."

On December 16, 1923, M. Chicherin, Russian People's Commissar for Foreign Affairs, addressed a communication to President Coolidge stating that:

After reading your message to Congress, the Soviet government, sincerely anxious to establish at last firm friendship with the people and government of the United States, informs you of its complete readiness to discuss with your government all problems mentioned in your message, these negotiations being based on the principle of mutual non-intervention in internal affairs. The Soviet government will continue whole-heartedly to adhere to this principle, expecting the same attitude from the American government.

As to the question of claims mentioned in your message, the Soviet government is fully prepared to negotiate with a view toward its satisfactory settlement on the assumption that the principle of reciprocity will be recognized all around.

Secretary Hughes replied to the Chicherin communication, on December 18, 1923, to the effect that:

There would seem to be at this time no reason for negotiations. The American government . . . is not proposing to barter away its principles.

If the Soviet authorities are ready to restore the confiscated property of American citizens or make effective compensation they can do so.

If the Soviet authorities are ready to repeal their decree repudiating Russia's obligations to this country and appropriately recognize them, they can do so.

It requires no conference or negotiations to accomplish these results, which can and should be achieved at Moscow as evidence of good faith.

The American government has not incurred liabilities to Russia or repudiated obligations.

Most serious is the continued propaganda to overthrow the institutions of this country. This government can enter into no negotiations until these efforts directed from Moscow are abandoned.

And on December 19, 1923, the State Department published the text of certain instructions alleged to have been sent by M. Zinoviev, head of the Third International, to the Worker's Party of America. After giving specific

instructions for the handling of revolutionary organization, the latter expressed satisfaction with the work of the Worker's Party, and expressed the hope that the "party will step by step conquer (embrace) the proletarian forces of America and in the not distant future raise the red flag over the White House."

The Soviet government has repeatedly disclaimed any responsibility for acts of the Third International, which it contends is alone responsible for the propaganda complained of by the United States. But the State Department on December 19, 1923, charging that, "The Communist [or Third] International, with headquarters at Moscow, is the organ of the Communist Party for international propaganda," and that, "The Soviet régime in Russia is the organ of the Communist Party for the government of Russia," made public a statement from the *Izvestia*, official organ of the Soviet régime written by M. Steklov, the editor, to the effect that: "The close organic and spiritual connection between the Soviet Republic and the Communist [or Third] International can not be doubted. And even if this connection had not been admitted many times by both sides, it would be clear to everybody as an established fact. . . The connection is not merely of a spiritual but also of a material and palpable character. . . The mutual solidarity of the Soviet Republic and the Communist International is an accomplished fact. In the same degree as the existence and the stability of Soviet Russia is of importance to the Third International, the strengthening and the development of the Communist International is of great moment to Soviet Russia."

Thus, at the opening of the year 1924, the government of the United States seemed to be convinced that the Soviet government was definitely connected with the revolutionary propaganda which, it was alleged, was being fostered in the United States. And a rather definite policy with regard to recognition of the Soviet govern-

ment had been announced, namely, that the United States would not consider the question of recognition until the Soviet government should:

1. acknowledge its liability for the debts contracted by previous governments of Russia;
2. agree to make restitution to Americans whose property had been confiscated; and,
3. cease its alleged revolutionary activity in the United States.

In view of the recent policy of the United States in the matter of recognition of new governments, there may be some significance in the fact that neither President Coolidge nor Secretary Hughes emphasized the consideration of the *domestic legitimacy* of the Soviet régime. Mr. Hughes pointed out that, "Stability, of course, is important; stability is essential." But he insisted that, "the fundamental question in the recognition of a government is whether it shows ability and a disposition to discharge international obligations."

RELATIONS BETWEEN GREAT BRITAIN AND FRANCE, AND RUSSIA AFTER RECOGNITION

Great Britain and France, it has been pointed out, recognized the Soviet government with the expectation of being able to obtain a satisfactory adjustment of their grievances against it thru subsequent negotiation. Their experience did not seem to convince the government of the United States that it should alter its policy of withholding recognition and requiring a satisfactory arrangement of differences as a condition *precedent* to it.

It has already been pointed out that the expectation on the part of both France and Great Britain of a settlement of the Russian debt question proved a disappointment, in so far as an early settlement may have been hoped for. And a similarly unsatisfactory situation resulted with respect to alleged Russian revolutionary propaganda.

In the Trade Agreement, which was signed in March, 1921, between the government of Great Britain and the Soviet government, the latter specifically agreed to refrain from the use or permission of any revolutionary propaganda in the British Empire. On June 4, 1923, the Soviet government agreed "not to support, with funds or in any other form, persons, or bodies, or agencies, or institutions whose aim is to spread discontent or to foment rebellion in any part of the British Empire; and to impress upon its officers and officials the full and continuous observance of these conditions." And again on February 16, 1924, the Soviet authorities had made a similar pledge in response to the British note of recognition.

Nevertheless, on March 26, 1924, a warning was delivered in the House of Commons by Mr. W. C. Bridgeman, former Home Secretary, that Soviet propaganda had not ceased in Great Britain and that consistent efforts were being, and would continue to be, made to foment revolution. And, on October 24, 1924, the British Foreign Office published a letter, alleged to have been written by M. Zinoviev, President of the Executive Committee of the Communist International, to the Central Committee of the British Communist Party, dated October 15, 1924. The letter, coming as it did on the eve of parliamentary consideration of certain treaties, which had been negotiated with the Soviet government by the MacDonald government, and which involved the question of a loan to the Soviet government, urged that all possible effort be made to secure the ratification of the treaties. But it also advised an extensive campaign to organize sedition within the British armed forces.

The British Foreign Office immediately addressed a strong protest against the alleged Zinoviev letter, to the Soviet chargé d'affaires at London, pointing out that: "Such conduct is not only a grave departure from the rules of international comity, but violative of specific

and solemn understandings repeatedly given to His Majesty's government."

The Soviet government repudiated the Zinoviev letter as a forgery. But it adhered to its "repeated declarations regarding the non-responsibility of the government for acts of the Communist International." The Baldwin government failed to ratify the Russian treaties which had been negotiated by the Labor government during the summer of 1924. And British hopes of an early settlement of differences with the Soviet government were left unrealized.

AGITATION FAVORING RECOGNITION BY THE UNITED STATES

There has been considerable agitation in the United States in favor of recognition of the Soviet government. Those who advocate recognition point out that the Soviet government has shown itself to be a stable government. They have denied that it has engaged in revolutionary propaganda in the United States since the withdrawal of American forces from Russian territory. They contend that the Soviet government would pay the claims held by the United States, if it should ever become economically able to do so. And they argue that, even if those claims should never be paid, it would be no worse than alleged conduct of the United States. Professor Jerome Davis pointed out in July, 1924, that: "In our own revolutionary fight, Washington and the other founders of the Republic declared void all of the tremendous grants of land given by the English King to his own warriors and favorites for service rendered. We, furthermore, confiscated the property of Tories, and this action has ever since been upheld." Mr. Davis further charged that: "During the World War we confiscated German private property and we still keep our ownership of German ships."

One of the most conspicuous and influential advocates of recognition of the Soviet government by the United States has been Senator Borah of Idaho. He has contended that to recognize the Soviet government, which is the only government in Russia, would not imply an approval of Communism, or of the Bolshevik methods, but simply a determination to transact necessary international business with the only governmental authority in Russia. On several occasions Senator Borah has introduced resolutions in the Senate to the effect: "That the Senate of the United States favors the recognition of the present Soviet government of Russia."

OPPOSITION TO RECOGNITION BY THE UNITED STATES

On the other hand, there has been a great deal of opposition to recognition of the Soviet government voiced in the United States. It has been charged that the Bolsheviks have never made any serious pretense of having respect for so-called *capitalist* governments. Reference is made to the often reiterated expressions of responsible Soviet officials that world revolution and the dictatorship of the proletariat must come. John Spargo shares the view of many Americans that good faith with other governments of the capitalist variety means nothing more to the Bolsheviks than an affair of pure expediency, and that to recognize the Soviet government would simply be to invite the sowing of revolutionary propaganda broadcast in the land by means of a corps of official representatives who would have most advantageous positions from which to operate. After having detailed a long list of breaches of faith by Soviet official representatives who used their diplomatic immunity in foreign lands to spread propaganda and foment revolution there, Mr. Spargo, in a letter dated December 27, 1923, to the *New York Times* stated that: "Here, then, is a partial record, not of unguarded and unwise expression of editorial opinions, to

be discounted, but of acts of responsible officials and leaders over a period of five years and in connection with governments as various as those of Great Britain, Germany, Switzerland, Norway, and Denmark. The record—which I have not attempted to make complete at all. . . —includes duly accredited Ambassadors, official envoys and delegates, and distinguished members of the Soviet government acting in their purely political capacity as representatives of the Third International. It is a record not to be matched, I venture to say, in the history of the diplomacy of any civilized nation. Certainly there is no reason in this record for believing that the Soviet government is ready to conform its methods to those of all civilized governments.”

Mr. Spargo asserts that there is no doubt “that Secretary Hughes is entirely correct in his contention that the Soviet government, the Russian Communist (Bolshevist) Party and the Communist (or Third) International are in reality three phases of one movement.” This view is also shared by Professor Alexander Petrunkevitch of Yale University, who, in February, 1924, stated that: “From a formal point of view the assertion of independence of the Soviet government from the [Third] International is beyond question correct. The leaders in the government, however, are also members, and leaders in the International and the expenses of the latter are largely defrayed by the government.”

In a statement issued December 18, 1923, rebuking the Soviet request for negotiations with the United States, Samuel Gompers declared that: “The entire Soviet structure, Constitution, State documents, official doctrine as taught in the official press, schools and Red Army teach that the so-called ‘proletarian’ régime cannot be bound by any agreements made with non-Soviet governments. . . To discuss the possibility of ‘mutual trust’ with a régime resting on such foundations would be not only futile but an encouragement to its anti-social, communistic and anti-

democratic machinations.” And, after most bitter denunciations of the Russian Communists for revolutionary activity in the United States, alleged to be directed against both the government and the American Federation of Labor, that organization, in its annual convention at Detroit on October 12, 1926, rejected unanimously a resolution favoring recognition of the Soviet government, and adopted the report of the Resolutions Committee which attacked the Soviet régime as the “most unscrupulous, most anti-social, most menacing institution in the world today.”

On January 7, 1924, Senator Lodge, Chairman of the Foreign Relations Committee, presented in the Senate a carefully prepared argument, supported by much documentary material in an attempt to show:

1. that the Soviet government and the Third International are so related that they are both agents of the Russian Communist Party;
2. that the chief object of the affiliated organizations is world revolution; and,
3. that the United States should refuse to recognize any such régime.

PRESENT STATUS OF THE RECOGNITION QUESTION

By November, 1926, some twenty-two nations had recognized the Soviet government, including all the great powers, except the United States. Japan granted recognition by signing a treaty with the Soviet government on January 20, 1925. It was agreed that extensive oil and coal concessions should be granted in Northern Sakhalin to Japanese firms, and the Soviet government gave pledges not to indulge in or permit the spreading of revolutionary propaganda in Japanese territory. The treaty left the matter of Russian debts unsettled, stipulating simply that Japan should not be placed in a less favorable position than any other third party claiming the payment of debts by Russia. The matter of claims for damages was also “reserved for adjustment at

subsequent negotiations." Thus, Japan adopted a policy similar to that pursued by France and Great Britain, that of granting recognition without demanding a definite settlement of the Russian debt to Japan. It should be pointed out, however, that the Russian debt to Japan is relatively small, while the Russian claims for damages due to the prolonged Japanese military occupation of Russian territory may presumably be very large.

Notwithstanding the fact that other great powers have seen fit to recognize the Soviet government without definite arrangement for payment of Russian obligations, there appears no indication that the American attitude in the matter has undergone any significant change since the statement of the policy of the government by Secretary Hughes, in December, 1923, to the effect that recognition would not be accorded until the Soviet government should:

1. acknowledge its liability for the debts contracted by previous governments of Russia;
2. agree to make restitution to American citizens whose property was confiscated; and,
3. cease its revolutionary activity in the United States.

THE SOVIET UNION ³²

The recent outcry against the Soviet export trade has much wider implications than may be inferred from a reading of the current press comment. The problem has become a factor working toward a reorientation of Soviet foreign policy, especially in so far as it relates to the European theater. Its importance is somewhat obscured by the fact that the recent excitement has apparently subsided without producing concerted action against Soviet commerce or even individual action by any nation outside Europe.

In the United States the whole question is held in abeyance until the next meeting of Congress, at which

³² From an article by Edgar S. Furniss. *Current History*. 33:467-70. December, 1930.

time an effort will be made to enact an embargo against the principal Soviet products. Up to the present time the Treasury Department has resisted repeated appeals to establish an embargo thru the use of its administrative authority under the tariff act of 1930. Canada has disclosed her opposition to the Soviet commercial policy in a report of the Dominion Bureau of Statistics which described and condemned the dumping of Russian wheat; but since the actions complained of do not occur in the Dominion market they cannot be countered by Canadian law. The agrarian States of South America are vitally concerned in the matter, but their preoccupation with their own political problems and their lack of power to exert economic pressure upon the Soviet Union have prevented them from adopting any definite anti-Soviet policy.

It is in the markets of Europe that the immediate effect of the Soviet export policy is felt, and here there are indications that a new line of policy against the Soviet Union is gaining headway. As noted last month, France has placed Russian imports under the control of a strict licensing system. On October 25 Belgium followed the lead of France by instituting a similar policy. Regional conferences in Scandinavia, Central Europe and the Balkans have adopted resolutions which prepare the way for a general economic alliance of Western Europe against the Soviet Union. The movement finds its leadership in France, where it is promoted by aggressive propaganda thru the press and has the support of many men of high position in public life. In addition to a general boycott of Russian trade, the movement contemplates a financial boycott which would destroy the Soviet short term credit in the European money markets.

Russia has taken steps to meet the immediate situation by decreeing a policy of economic retaliation against countries which restrict the importation of Soviet products. But this is merely an expedient to deal with

the superficial aspects of the problem. The Soviet leaders are convinced that the real basis of the antagonism toward Russia is political, not economic; and that it is all attributable to the desire of France to create a European bloc under her hegemony, pivoted upon the present Franco-Little Entente alliance, and directed toward the weakening of Germany and the neutralization of Russia's influence in Europe. The small States of Eastern Europe which, as Russia's nearest neighbors and the possessors of territory formerly hers are most apprehensive over the growing power of the Soviet Union, are already knit together by a series of treaty alliances, and bound severally to France by a similar set of treaties. Their uneasiness is increased by the menace of communism within their own borders which, tho at present suppressed, was once strong enough to seize control of many of the governments and is now smoldering underground. They stand as a buffer between Russia and Germany, where a public opinion embracing all types of political groupings demands a relocation of the nation's frontiers to the detriment of certain of these small States; and a strong Communist faction is working toward future adherence of Germany to the Soviet Union. In this setting there exists a community of interest between the States of Eastern Europe and France, of which the present treaty relations are the natural expression. The dumping tactics of the Soviet Union, in themselves a serious menace to the small States struggling to construct a stable national economy, furnish a convenient pretext for organizing the general uneasiness and distrust into an alliance openly antagonistic to the growth of the Soviet power in Europe. Such, at any rate, is the interpretation placed by the Soviet government on the development of the past two months in her foreign commercial relationships. The official Soviet press has dealt with the boycott movement in this light, repeatedly warning the Russian people that the proposed financial and trade policies of France and

her allies are but the prelude to another holy war against the Soviet Union.

A belief such as this need have no basis in fact in order to exert a powerful influence upon international relationships, provided it is made the basis of foreign policy by the country holding it. The situation as Russia sees it calls for the cultivation of more cordial relations with those sections of Europe which are opposed to French hegemony. Italy, in particular, has been disposed recently to make use of Russia in her efforts to check the dominance of France. In her answer last Spring to Briand's proposal of a Pan-European Federation, Italy adopted as her own the policies with regard to disarmament, the reconstruction of the League of Nations, and the revision of the peace treaties which Russia has been insisting upon for many years. To any one who understands the irreconcilable conflict of principle between the Fascist and the Communist movements and the contempt in which their respective leaders hold each other, the idea of an alliance between Italy and Russia may seem fantastic. But the Bolsheviki are realists in foreign affairs who have repeatedly shown their readiness to turn an existing situation to their own account without regard for matters of principle. Recent events, running back to the Italian-Soviet trade agreement of last Summer indicate the beginnings of a rapprochement between these two countries. France suspects that this agreement contains secret clauses of a military nature inimical to her interests, and tho this opinion is probably false, it provides additional incentive to French political strategy in Europe which in turn reacts to strengthen the feeling of mutual interest between Italy and the Soviet Union. Russian grain displaced from other European markets is being transferred to Italy, where it finds a welcome. Russian purchases, likewise, have been shifted from France to Italy; and recently the press of both countries have made much of the fact that important branches of

Soviet industry have been placed under the direction of Italian technicians. In the press comment and the speeches of public officials of the Soviet Union, during the past month, Italian affairs have been treated with a friendliness which is both new and suggestive.

Turkey is another potential member of a European bloc opposed to France and the perpetuation of the peace treaties. Relations between Turkey and Italy have been badly strained. At one time Italy made no secret of her ambition to acquire Turkish territory on the Mediterranean littoral of Asia Minor, and she is now basing her naval concentration upon the Island of Rhodes. Turkey views this with distrust and fear. Yet, despite these causes of friction, there exists a solid basis of mutual interest between Italy and Turkey, both on account of their common opposition to the peace treaties and because Turkey's cooperation is necessary to assure uninterrupted commerce between Italy and Russia, in case Italy becomes involved in conflict with France and her allies. The strategic position of the Soviet Union as a friend of both countries and a mediator between them is clear on the face of this situation. The recent diplomatic exchanges between Turkey and the Soviet Union are significant from this point of view. At the end of September Tewfik Rushdi Bey, Foreign Minister of the Ankara Government, visited Moscow for the purpose of effecting the continuance of the treaty of friendship between the two countries. He was received with a splendor of ceremonial and a public demonstration of esteem beyond parallel in Soviet history. Upon his departure on October 3 the Soviet Foreign Office made public professions of friendship for Turkey which would have been excessive in ordinary circumstances.

Of similar import is the naval demonstration which the Soviet Union has been making in the ports of the Eastern Mediterranean. The fact that Russian warships have not passed the Dardenelles since 1878 lends histori-

cal significance to the present occasion. Early in October a unit of the Soviet Black Sea fleet made the passage to the Mediterranean for a fortnight's cruise of Turkish, Greek and Italian ports. The visit to the Piraeus was marred by the clamor of Russian refugees which was suppressed with some difficulty by the Greek constabulary. But on the whole the Soviet flotilla was accorded cordial receptions by the governing authorities; while in Russia, comment on the cruise in the inspired press made clear its relation to the developing foreign policy of the Soviet Union.

No doubt the events which we have sketched provide but meager evidence upon which to base an appraisal of Soviet purposes in European politics. To lend substance to the belief that Russia is committing her future to an anti-French bloc of European states, the group of Soviet allies should include Germany. It is true that there has been a marked improvement in the relations of Germany with the Soviet Union in the immediate past. A year ago these two States seemed on the verge of a break. Since that time they have so far composed their differences as to permit a revival of the generous trade agreement between them. The mixed commission which attempted early in the present year to work out a closer economic integration between Russian and German industry, altho failing in its major objective, has done much to improve the temper of the situation. But it would be a gross exaggeration of the facts to infer that the two countries are within measurable distance of a political alliance. The Soviet leaders dismiss the idea with open derision; and the German Nationalists are equally outspoken in their opposition to it. Still it cannot be denied that forces of major importance are at work in both countries to reduce the causes of friction between them and to extend the sector of foreign policy in which their interests coincide. Already Germany sees eye to eye with Russia on all the issues of vital consequence to the

Reich—disarmament, the Pan-Europe Federation, reparations, the Versailles Treaty. In the recent German elections the platforms of the Communists and the Nationalists were identical with regard to these major issues.

Allowing for all uncertainties, and discounting the disposition of France to exaggerate the situation under the stress of fear, it is obvious to the foreign observer that conditions in Europe are propitious for the formation of an anti-French bloc along these lines. Obvious also is Russia's strategic position in the general situation. Thus far the Soviet Union has stood for peace and against all military alliances. But her foreign trade is vital to her at the present moment. It is a matter of self-preservation, in view of her domestic program, that the markets of the world be open to her export products and the banking institutions of Europe and America be accessible to her commercial agencies. The boycott movement in this setting may prove the determining factor in Russia's European political affiliations.

THE UNITED STATES AND RUSSIA ³³

Mr. Kellogg, in the course of his testimony on the Anti-War Pact before the Senate Committee on Foreign Relations in December 1928, stated that he saw no reason for making a reservation to the effect that the adherence of the Soviet government to the pact did not constitute recognition of that government by the United States. The "adhering to a multilateral treaty that has been agreed to by other people," he said, "is never a recognition of the country." Should there be any doubt as to the situation, he added, the President, when proclaiming the pact, could declare it did not imply recognition of the Soviet government.

³³ By Vera A. Micheles, with the aid of the research staff of the Foreign Policy Association. *Foreign Policy Association Information Service*. 4: no. 25. February 20, 1929.

In a note of August 31, 1928 addressed to M. Herbet, French Ambassador in Moscow, M. Litvinov, Acting People's Commissar for Foreign Affairs, took occasion to link the pact with the question of recognition:

... The Soviet government believes that there should also be put among the non-pacific means that are forbidden by the covenant such means as a refusal to resume normal pacific relations between nations or breaking such relations, for acts of that character, by setting aside the pacific means which might decide differences, aggravate relations and contribute in creating an atmosphere that is conducive to the unleashing of wars.

In his annual report on the foreign policy of the Soviet government, presented to the Central Executive Committee of the Union of Soviet Socialist Republics on December 10, 1928, M. Litvinov made a cordial reference to the assistance which President-elect Hoover had rendered the Russian people in his capacity as head of the American Relief Administration. Following an analysis of Russo-American relations, he said:

It is not recognition itself that is important—after eleven years the Soviet Union, with its sixth of the earth's surface and 150,000,000 inhabitants, has no need to ask anyone to recognize its existence.

He noted with pleasure the increase in trade between the two countries, but added:

It cannot, of course, be denied, that this economic cooperation suffers in large measure from the absence of a legal basis, from the absence of official relations between the two countries.

THE NATURE OF RECOGNITION

The recognition of a government *de facto* is a prerequisite to certain international relations between the parties concerned. The act of recognition usually lies within the discretion of the political department of a given State. Each government may be said to accord or withhold recognition on the basis solely of the foreign policy it is pursuing at a given time. No rules have been internationally adopted with regard to the pre-

requisites which a government *de facto* must possess in order to become entitled to recognition. Nevertheless, the practice of the European States after 1830 and of the United States prior to 1913 has been to consider a government established *de facto* when it had received the assent, express or tacit, of the people, and to accord recognition to such a government when it showed itself willing and able to fulfill international obligations. The right of States to inquire into the form of a new government and the methods by which it had come to power has been usually denied.

POLICY OF WILSON ADMINISTRATION

With this practice the policy of the Wilson administration in the case of Mexico, 1913, and Costa Rica, 1917, appeared to be in conflict. President Wilson first claimed that the Huerta government was not a government *de facto*, then described Huerta as an usurper, "who, after a brief attempt to play the part of constitutional President, has at last cast aside even the pretense of legal right and declared himself dictator." The United States, he said, sponsored constitutional government on the American continent.

We are the friends of constitutional government in America; we are more than its friends, we are its champions; because in no other way can our neighbors, to whom we would wish in every way to make proof of our friendship, work out their own development in peace and liberty.

He suggested the methods by which a government qualified for recognition by the United States might be established in Mexico.

The government of the United States will be glad to play any part in this settlement or in its carrying out which it can play honorably and consistently with international right. It pledges itself to recognize and in every way possible and proper to assist the administration chosen and set up in Mexico, in the way and on the conditions suggested.

The United States also refused to recognize the government established by Tinoco in Costa Rica in 1917. The "legality" of the government was made a prerequisite of its recognition.

. . . The desire which this government has of seeing the will of the people prevail in governmental matters in Costa Rica has forced it to the conclusion that no government except such as may be elected legally and established according to the Constitution shall be considered entitled to recognition.

The Department of State declared that a revolutionary government, even when sanctioned by popular election, would still be disqualified for recognition.

By authorization of the President you are instructed to inform Tinoco that even if he is elected he will not be given recognition by the United States.

It next suggested the establishment in Costa Rica of a new government, to be based on principles specified by the United States, and the elimination of Tinoco from candidacy for the Presidency.

THE SOVIET GOVERNMENT

The non-recognition of the Soviet government by the United States involved more far-reaching consequences than the non-recognition of the Huerta and Tinoco governments. The revolution of November 1917 in Russia brought forth a government which, in form and methods, offered as striking a contrast to accepted political institutions as did the French Republic in 1792, and exerted a comparably profound influence abroad. It renewed the controversy as to the form a government must possess, and the methods it must employ, to become entitled to recognition. The Soviet government introduced new forms and methods not only into the political, but into the economic sphere as well, and raised the question of the possibility of the coexistence of the communistic and capitalistic systems. Further, the repudiation by the Soviet government of the international obligations of

preceding governments was considered contrary to the accepted principles of international law.

The vastness of the territory which that government controls, and the political, economic and intellectual importance of Russia to the world, made intercourse between the Soviet government and the governments of other States an issue of the highest consequence. By 1926 twenty-two States had accorded recognition to the Soviet government, largely on grounds of expediency. The United States is the only great power to withhold recognition today.

Considerations of a political and economic nature may be said to have determined the policy of the United States with regard to the Soviet government. The United States has criticized the methods of the Soviet government, both in internal and external affairs, and has specifically demanded the cessation of propaganda as a prerequisite, not only to recognition, but even to negotiations. It has claimed that recognition of Russia's debts by the Soviet government and the restoration by it of the confiscated property of American citizens must be effected as "evidence of good faith," and require "no conference or negotiations." At the same time the government of the United States has placed no obstacles in the way of trade and communication between the citizens of the two countries. It views with disfavor, however, the flotation of loans in the United States by the Soviet government, and the employment of American credit for the purpose of making an advance to that government. The Soviet government has not been permitted to sue in the American courts, but has been accorded immunity when sued here. The courts at first refused to apply its acts and decrees; at present, however, they appear to be inclined to give effect to them whenever failure to do so would be contrary to public policy.

ORIGINS AND FORM OF THE SOVIET GOVERNMENT

The government of the United States has not inquired into the revolutionary origins of the Soviet government. Revolution as a means of establishing a new government had been sanctioned by the recognition of the Provisional government in Russia on March 22, 1917; it could not well be condemned in the case of that government's successor.

The form and methods of the Soviet government, however, have met with criticism in the United States. The Bolshevik conception of the State has been considered fundamentally in conflict with established political institutions. Lenin had accepted the thesis advanced by Engels that the State is based on irreconcilable class antagonisms; these antagonisms once removed, the State would become superfluous, and "wither" away, yielding its place to a class-less society. The proletarian State he regarded as a transitional stage. The proletarian State, according to Lenin, was to cast in the mold of "the revolutionary dictatorship of the proletariat." During the transitional period the proletariat should employ the methods of the capitalistic State they were attempting to displace.

. . . Suppression is *still* necessary; but in this case it is the suppression of the minority of exploiters by the majority of exploited. A special instrument, a special machine for suppression—i. e., the "State"—is necessary, but this is now a transitional state, no longer a state in the ordinary sense of the term.

The exact form that the dictatorship of the proletariat was to take was left undecided until the Bolsheviks came to power. Consultation of the Russian people as a whole regarding the form of government they would like to see adopted was at no time, however, a feature of the Communist program.

The question is not of the right of the nation (i. e., of the workers and the bourgeoisie together) to independence, but of the right of the laboring classes. That means that the so-

called "will of the nation" is not in the least sacred to us. If we meant the will of the nation, we should convene a Constituent Assembly of that nation. We consider sacred only the will of the proletariat and the semi-proletarian masses. This is why we speak not of the rights of nations to independence, but of the right of the laboring classes of every nation to separation if it so desires.

METHODS OF THE SOVIET GOVERNMENT

The Bolsheviks, nevertheless, convened the Constituent Assembly, preparations for which had been made under the Provisional government. It met on January 18, 1918, only to be dispersed on the following day. Thereafter, no effort was made to consult the population save thru the channel of pyramided soviets, elected on a limited franchise, to the exclusion of all but members of the "laboring classes." Parliamentary government, according to Bolshevik theory, is the creature of the bourgeoisie, to be overthrown along with the class which gave it birth.

Our attitude towards the necessity of dictatorship leads us, as an inevitable result, both to our struggle against an antiquated form of a parliamentary bourgeois republic (sometimes called "democratic"), and to our attempts at setting up instead a new form of state administration—a government of the Soviets of Workers', Soldiers' and Peasants' Deputies. . .

What is the essential difference between a parliamentary republic and a republic of the soviets? It is, that in a Soviet republic the non-working elements are deprived of the franchise and take no part in administrative affairs. The country is governed by the soviets, which are elected by the toilers in the places where they work, as factories, works, workshops, mines, and in villages and hamlets.

While the Soviet government has succeeded in barring members of the former aristocracy, the bourgeoisie and the clergy, and persons who hire labor for private gain, from participation in political activities, it has been unable to prevent the differentiation of class interests and the development of new class antagonisms. Conflicts between the State and the private trader—the *nepman*—have been substituted for those between workman and capitalist;

conflicts between the poor peasant and the rich one—the *kulak*—have replaced those between peasant and landlord. During the 1929 elections the Soviet government attempted to enlarge still further the lists of the disfranchised by a strict interpretation of the terms “persons engaged in private trade” and “persons employing hired labor.” Rykov, President of the Council of People’s Commissars, said on November 30, 1928:

During the past year we carried out an intensive practical campaign against private capital along several lines. We energetically attacked the *kulak* elements in the village. We have greatly narrowed the sector of private trade.

“This must be our slogan,” stated an article in *Izvestia*, November 28, 1928, “no *kulak* and no exploiter should be permitted, not only to enter the soviets, but even to participate in the elections.”

ATTITUDE OF THE UNITED STATES

The government of the United States has expressed the opinion that the Soviet government has not received the assent of the Russian people. Mr. Colby, Secretary of State, in a note of August 10, 1920, addressed to Baron Avezzana, Italian Ambassador to the United States, said:

That the present rulers of Russia do not rule by the will or consent of any considerable proportion of the Russian people is an incontestible fact. Altho nearly two and a half years have passed since they seized the machinery of government, promising to protect the Constituent Assembly against alleged conspiracies against it, they have not yet permitted anything in the nature of a popular election.

On July 19, 1923, Mr. Hughes, Secretary of State, wrote Mr. Gompers, president of the American Federation of Labor:

You refer with just emphasis to the tyrannical exercise of power by this [the Soviet] régime. . . It is true that, under the pressure of the calamitous consequences, the governing group in Russia has yielded certain concessions. . . A new constitution has just now been promulgated providing in effect for the con-

tinuance of the régime of the 1917 *coup d'état* under a new title. The Constitution, it is understood, contains no bill of rights, and the civil liberties of the people remain insecure. There is no press except the press controlled by the régime, and the censorship is far-reaching and stringent. Labor is understood to be still at the mercy of the State. . .

There can be no question of the sincere friendliness of the American people toward the Russian people. - And there is for this very reason a strong desire that nothing should be done to place the seal of approval on the tyrannical measures that have been adopted in Russia or to take any action which might retard the gradual reassertion to the Russian people of their right to live in freedom.

Mr. Hughes reiterated Jefferson's principle of the right of any nation to "govern itself according to whatever form it pleases, and change these forms at its own will." He added, however, that in the case of Russia there had been "tyrannical procedure," which had "caused the question of the submission or acquiescence of the Russian people to remain an open one." It has been pointed out above that, in practice, the assent of the people, express or tacit, has been considered a test of the existence of a government *de facto*.

Mr. Hughes' statement may be regarded as placing in question not the desirability of recognizing the Soviet government, but the very fact of its existence. Indeed, governments exercising methods similar to those of the Soviet government with regard to civil liberties, the freedom of the press, etc., have been accorded recognition by the United States; among these may be named the governments of Italy, Spain, Poland and Turkey.

OBJECTIONS TO RECOGNITION

Non-recognition of the Soviet government by the United States has been based on three grounds: (1) its connection with the Communist (Third) International; (2) its repudiation of the debts of preceding governments; and (3) the confiscation of the property of American citizens.

THE COMMUNIST (THIRD) INTERNATIONAL

It is impossible, within the limits of this study, to examine in detail the allegations and denials which have been made regarding Bolshevik propaganda abroad. All that can be attempted here is a brief analysis of the Bolshevik theory of international relations, the extent to which propaganda is necessary to its realization, and its effect on the recognition policy of other States.

The eventual goal of the proletariat, according to Lenin and Bukharin, is the formation of a class-less society; the means by which it is to be finally achieved is the world revolution of the laboring classes. The world revolution is to be encouraged by the first Communist State, the Union of Soviet Socialist Republics (of which the Russian Soviet Federated Socialist Republic is a member.) This State is itself the creature of the Russian Communist party, a section of the International Communist party which was welded in 1919 into the organization known as the Communist International, with headquarters in Moscow. The Communist program with regard to international relations is stated by Bukharin as follows:

The program of the Communist party is a scheme not only for the liberation of the proletariat of one country, but for the emancipation of the proletariat of the whole world; for it is a program of international revolution. . .

We must pursue the tactics of universal support of the international revolution, by means of revolutionary propaganda, strikes, revolts in imperialist countries and by propagating revolts and insurrections in the colonies of these countries.

The program adopted at the close of the Sixth Congress of the Communist International on September 1, 1928, equally binding on all sections of the party, states that the present epoch is one of proletarian revolutions, "an epoch of actual struggle for governmental power, of struggle for proletarian dictatorship." It further declares:

The Communists consider it unnecessary to disguise their views and purposes. They openly declare that their aims can be accomplished only thru an overthrow by force of the whole existing social order . . . The gain of government power by the proletariat is by no means a peaceful "conquest" of the existing bourgeois government thru parliamentary majorities. . . The hold of the bourgeoisie can be broken only by ruthless violence. . . The conquest of power by the proletariat consists in an actual annihilation of the existing capitalistic state machine—the army, the police, the bureaucracy, the courts, parliaments, etc.—and putting in their place new organs of proletarian power, intended in the first place to serve as tools to suppress the exploiters.

The early conviction of the Bolsheviks that the revolution would immediately spread thru the world has been weakened by the failure of Communist uprisings, especially in China and in the colonies. The program of 1928 admits that capitalism appears to have become temporarily "stabilized," and that "between the capitalistic order and the Communist order there lies a period of revolutionary transformation," which will be characterized by wars, agrarian and colonial revolts, etc. It goes so far as to state that "the victory of socialism is possible first in only a few countries, or even only in one individual country."

This indefinite postponement of the world revolution has alarmed the Left (Trotzkist) wing of the Russian Communist party, and has been described by Trotsky as an unwarranted capitulation to capitalism on the part of Stalin and his followers.

We must, first of all, wholly and without reserve affirm and reenforce our support to the international revolution. . . The "theory" of socialism in one country is now playing an actually disintegrating rôle and clearly hindering the consolidation of the international forces of the proletariat around the Soviet Union. It is lulling the workers of other countries, dulling their sense of the actual danger.

THE SOVIET GOVERNMENT AND THE COMMUNIST INTERNATIONAL

The connection existing between the Communist International and the Soviet government has been the

subject of much discussion. It seems clear from the reports of the congresses of the Communist International, six of which have been held since 1919, that the interaction between the two organizations is close and permanent. The Soviet government is regarded by the Russian Communist party

. . . as a weapon of the universal proletariat against the universal bourgeoisie. The war cry of this struggle is self-evident—the universal war cry of this struggle is the motto of the International Soviet Republic.

The overthrow of imperialistic governments by means of armed insurrections and the organization of international soviet republics—such is the way to an international dictatorship of the working class.

The persons now ruling Russia are all members of the Russian Communist party; some of them are connected both with the Soviet government and with the Communist International. Thus, Kalinin, the President of the U. S. S. R., was a delegate of the Russian Communist party to the Fifth Congress of the Communist International; Rykov, the President of the Council of People's Commissars of the U. S. S. R., is a member of the Executive Committee of the Communist International, and was a delegate of the Russian Communist party to the Sixth Congress of the Communist International; Stalin, the Secretary-General of the Russian Communist party and Russia's actual ruler, is a member of the Executive Committee of the Communist International, and was a delegate of the Russian Communist party to the Sixth Congress of the Communist International.

Within the Russian Communist party itself opinion has been divided as to the degree of influence which the Communist International should be permitted to exercise on the policies of the Soviet government, especially in the sphere of foreign affairs. These internal dissensions, however, do not seem to affect the interlocking activities of the two organizations. At the Fourth Congress of the Communist International, 1922, Zinoviev said:

It is, of course, self-evident that there is and there ought and must be an interaction between the first proletarian republic and the Communist party which is fighting against the bourgeoisie. From our communist viewpoint it is perfectly clear that the Communist International is of the greatest importance for Soviet Russia, and vice versa. It is utterly ridiculous to ask who is the exploited, who the subject and who the object. The Republic and the International are as the foundation and the roof of the building. They belong to each other.

At the Fourteenth Congress of the Russian Communist party, 1925, Stalin, the Secretary-General, summed up the situation as follows:

I think that the task of the party must be traced, in the sense of its work, in two spheres: In the sphere of the international revolutionary movement and afterwards in the sphere of the foreign policy of the Soviet Union.

The program adopted at the Sixth Congress of the Communist International, 1928, emphasizes anew the rôle of the Soviet government as the active center of world revolution. On December 1, 1928 Bukharin made the following statement:

It goes without saying that the deciding factor on our side is the international proletariat, and as a result of this it behooves us to extend our international connections as much as possible—connections between the laboring class and the laboring peasantry of our country, and the laboring masses—first and foremost the proletariat—of other countries.

PROPAGANDA ACTIVITIES OF THE COMMUNIST INTERNATIONAL

The Executive Committee of the Communist International thru its Organization Department, assists in the organization of Communist parties in each national State. Thru its Agitation and Propaganda Department (Agitprop), it issues instructions and literature to the Communist parties thruout the world, and supervises political campaigns, such as anti-war campaigns, the campaign in favor of the Chinese revolution, etc.

The western States repeatedly declared that cessation of propaganda was an essential prerequisite for recogni-

tion of the Soviet government. The trade agreements concluded by that government with several of the western States prior to its recognition by them contained provisions with regard to cessation of or abstention from propaganda by the contracting parties in each other's territories. The British government, soon after the conclusion of the trade agreement, asserted that the Soviet government had shown no signs of ceasing propaganda in the East, and demanded an immediate change of policy. The Soviet government denied all accusations of propaganda in India, Persia, and Afghanistan, as well as its connection with the Communist International.

In 1923 Lord Curzon repeated his allegations, and declared that, unless the Soviet government undertook within ten days from the receipt of his note to fulfill the terms of the trade agreement, the British government would consider the agreement at an end. The Soviet government denied the charges, but finally agreed to a reformulation of the mutual obligation to abstain from propaganda.

The British government finally recognized the Soviet government by a note of February 1, 1924. This note (clause 5) reiterated the principle of abstention from propaganda.

It is also manifest that genuinely friendly relations cannot be said to be completely established so long as either party has reason to suspect the other of carrying on propaganda against its interests and directed to the overthrow of its institutions.

The treaties by which a number of other States accorded recognition also contained provisions regarding propaganda. Notwithstanding these provisions, it has been alleged that propaganda did not cease. The incident of the "Zinoviev Letter," 1924, in Great Britain and the series of incidents which preceded the rupture of relations in 1927; the activities of M. Rakovsky, the Soviet Ambassador to France, which resulted in a demand for his recall—these are only a few of the episodes which

marked the relations of the Soviet government with western States subsequent to recognition.

On December 19, 1928, Mr. Taylor, a Labor member, asked Sir Austen Chamberlain in the House of Commons whether "the only difficulty in reopening negotiations now was the question of propaganda."

Sir A. Chamberlain—I doubt it. Until propaganda and action hostile to the British Empire have ceased, His Majesty's government cannot enter into negotiations. Mr. Taylor asked if the right honorable gentleman was referring to propaganda in this country or in others parts of the world. (Ministerial cries of "The Empire.") Sir A. Chamberlain—I refer to both. Mr. T. Williams (Lab.)—Has the right honorable gentleman any information which would go to show that this propaganda has not ceased at the moment? Sir A. Chamberlain—Yes, a lot.

THE POLICY OF THE UNITED STATES

The government of the United States has repeatedly asserted that recognition could not be granted to the Soviet government as long as the practice of propaganda continued. In a statement prepared by Mr. Kellogg for the Republican National Committee, and issued by Chairman Butler on April 14, 1928, the following allegations are made:

Since that time (1924) these activities ["by various Bolshevik organizations under the direction and control of Moscow"] have been developed and extended to include, for example, the stirring up of resentment against the government and the people of the United States in the countries of Latin America and in the Far East, and the supervision by Moscow of the organizations thru which these activities are carried on has become even more comprehensive and pronounced. The government of the United States feels no concern lest this systematic interference in our affairs lead in the end to a consummation of the Bolshevik plan to bring about the overthrow of our government and institutions.

The government of the United States, however, does not propose to acquiesce in such interference by entering into relations with the Soviet government.

Nor can the government of the United States overlook the significance of the activities carried on in our midst under the direction of Moscow as evidence of the continuation of the fundamental hostile purpose of the present rulers of Russia,

which makes vain any hope of establishing relations on a basis usual between friendly nations.

The report of the activities of the Communist International, 1924-1928, states that the Communist party in the United States (a section of the Communist International) carried on an anti-imperialist campaign in connection with events in China and Nicaragua, especially among the marines, and a campaign in favor of the recognition of the Soviet Union. It was also active, according to the report, in the anthracite strike in Pennsylvania, in the Passaic strike, in the bituminous coal strike in Pennsylvania and Ohio, and in the Colorado strike. The report further states that "the appearance of annual Philippine commissions in the United States have been utilized for propaganda purposes." Summing up the work of the Agitation and Propaganda (Agitprop) Department of the Executive Committee of the Communist International, the report points out that "work was, as before, concentrated on the big European countries and the United States"—a condition of things which is viewed as a defect.

M. Litvinov, Acting Commissar for Foreign Affairs, in his report on the foreign policy of the Soviet government for the past year, December 10, 1928, reiterated once more the principle of non-interference by the Soviet government in the internal affairs of other States, and claimed that all allegations to the contrary were pure invention, utilized by the western States for purposes hostile to the Soviet government.

Non-interference in the internal affairs of other States has not only been proclaimed by us, but has been proved by the example of our relations with Germany, Italy and other States, which never had cause to complain that we had violated this principle. Whoever speaks of our interference or propaganda merely creates artificial obstacles, or makes use of them in order to justify their hostility to the Soviet Union—a hostility dictated by entirely different motives—or resorts to this method for the purpose of internal struggle.

REPUDIATION OF DEBTS AND CONFISCATION
OF PROPERTY

Another obstacle to recognition has been the repudiation by the Soviet government of the debts of preceding governments and the confiscation of the property of foreign citizens. Both repudiation and confiscation involved economic disruption and undermined the credit of the Soviet government abroad. The Soviet government has suffered from the economic consequences of these acts and has sought to obtain credits abroad as a *quid pro quo* for recognition of the debts and the restoration of confiscated property.

By a series of decrees the Soviet government in 1917-1918 repudiated the debts contracted by the Czarist and Provisional governments, and nationalized the property of foreign banks, industrial and commercial concerns, and insurance companies. The Bolshevik thesis was, and is, that the debts contracted by preceding governments had been the means of assuring the oppression of the laboring classes by these governments, and that the Soviet government could not be expected to repay such loans. The violation of international law was not denied, but was justified by the peculiar characteristics of the Soviet government as a representative of the proletariat. The repudiation of the loans was described as "the first blow at international banking and financial capital," and the nationalization of banks as "one of the conditions of emancipation of the toiling masses from the yoke of capital."

COLLECTIVE NEGOTIATIONS

The Allies attempted to negotiate with the Soviet government regarding the repayment of the debts and the restitution of private property: separately, by means of trade agreements, and collectively, by means of international conferences. The failure of the trade agree-

ments to bring about further negotiations regarding the Soviet government's international obligations caused the French government to claim in 1920 that the resumption of trade with Russia and the recognition of Russian debts could not be discussed independently of each other. It proposed that an international organization should be charged with the task of collecting the Russian debts, under the terms of an international agreement. The Soviet government itself, pressed by the need for foreign credits, and aware of the difficulty of obtaining them in States which linked the resumption of trade relations with the recognition of debts, made overtures in 1921 for an international discussion of the matter. It stated that, altho it was still convinced that no people should be under the obligation to pay the price of its chains, it was willing, nevertheless, to make concessions. It suggested that an international conference be summoned to examine the claims of the western States against Russia prior to 1914, as well as Russia's claims against the western States.

At the Genoa Conference, summoned in consequence in 1922, the Soviet government demanded recognition and credits, and offered in return to recognize debts contracted by the Czarist government prior to 1914, to compensate indirectly foreigners whose property had been confiscated, and to give guaranties for the future protection of property in Russia. The Allies demanded the recognition of all debts, compensation for all acts of confiscation, and abstention from propaganda; in return they offered recognition and credits. The Soviet government advanced counterclaims, based on damage caused in the course of Allied intervention; these counterclaims the Allies refused to recognize. The conference failed to reach any conclusions. Negotiations were renewed at the Hague Conference in 1922. The Soviet government abandoned its counterclaims, but persisted in refusing to recognize Russia's debts contracted after 1914. It

offered to foreigners whose property had been confiscated, in lieu of compensation, the right of first refusal of concessions on their former undertakings. The non-Russian commissions appointed to study various aspects of the two problems of debts and compensation expressed the conviction that the Soviet government was neither willing nor able to make payment. The conference closed without reaching any practical solution.

SEPARATE NEGOTIATIONS

The failure of collective negotiations left the way open again for separate negotiations by the several States. Recognition was accorded by them, however, before a definite agreement on the subject was reached. The British note of recognition of February 1, 1924 stated:

Technically unconnected with the recognition, but clearly of the utmost importance are the problems of the settlement of the existing claims by the government and nationals of one party against the other and the restoration of Russia's credit.

That recognition was granted solely on the ground of expediency was made clear by Ramsay MacDonald when he said in the House of Commons on February 12, 1924:

. . . As Foreign Minister I recognized Russia without delay, and with the full approval of the government. The point of view I took was this: I want to settle all the outstanding points between Russia and ourselves. It is a very big job, certainly, it is a job that some one sooner or later had to face, and I made up my mind to face it, to tackle it. I made up my mind on this and at the same time, that if you try to face those things—debt, foreign relations, treaties of doubtful validity, disagreements which were threatening war almost every day, propaganda North, South, East and West—if any Foreign Secretary sat down, and tried to settle those questions with a representative of Russia who was not even a *Chargé d'affaires*, if he lived to the age of Methuselah, he never would settle them. The preliminary for settlement was recognition. Therefore, I recommended the cabinet to recognize Russia, and that was done.

The unratified treaty of 1924 between Russia and Great Britain provided (Article 6) :

In pursuance of the declaration annexed to the Trade Agreement of the 16th March, 1921, the government of the Union of Soviet Socialist Republics declares that by way of exception to the decree of the 28th January, 1918 (regarding the annulment of debts) it will satisfy, in the conditions prescribed in the present treaty, the claims of British holders of loans issued or taken over or guaranteed by the former Imperial Russian government, or by the municipalities or towns in the territories now included in the Union, payable in foreign (non-Russian) currency.

The government of His Britannic Majesty recognizes that the financial and economic position of the Union renders impracticable the full satisfaction of the claims referred to in the preceding paragraph of this article. . .

All questions connected with the claims of the two governments against each other were reserved for discussion at a later date. No settlement has yet been made. That the British government might accept a partial payment of the debts was indicated recently when Mr. Boothby, Private Parliamentary Secretary to Winston Churchill, Chancellor of the Exchequer, stated in an address at Peterhead on December 14 that the Soviet government would find a large amount of credit in London, provided it would give adequate guaranties and undertakings. "No one," he said, "expected that Russia should repay the whole of her debts, or anything like it." On December 17, however, Sir Austen Chamberlain stated in the House of Commons that "the most essential thing is that we should not only have a categorical understanding, such as we had before in regard to propaganda, but proof that the understanding will be kept." When asked what proof would be satisfactory to the British government, he said: "A complete cessation of the activities of which we have reason to complain."

The French government, in the note in which it recognized the Soviet government, reserved:

. . . the rights which French citizens hold in respect of obligations entered into by Russia or her nationals under the former régimes, obligations respect for which is guaranteed by the general principles of law which remain for us the rule of international life. The same reservations apply to the responsibilities assumed since 1914 by Russia towards the French State and its nationals.

The French government has been engaged in negotiations with the Soviet representative in Paris regarding the settlement of debts, but has as yet reached no decision on the proposals submitted by the Soviet government, which continues to link its need for credits with the payment of debts. The present situation was alluded to in the Chamber of Deputies on December 4, 1928, when in answer to a remark made by M. Cachin regarding the excellent financial condition of the Soviet government, the following incident occurred:

(A voice from the Right.) They do not pay their debts!
(Applause on the Right.)

M. Cachin. They have offered to pay them. (Applause on the extreme Communist Left.)

The Treaty of Rapallo, concluded by Germany and Russia on April 16, 1922, provided that

Germany renounces claims which have arisen thru the application up to the present of the laws and measures of the R. S. F. S. R. to German nationals or to their private rights as well as to the rights of Germany and its constituent states against Russia, or from the measures otherwise adopted by the R. S. F. S. R. or its officials against German nationals or their private rights, provided that the government of the R. S. F. S. R. does not satisfy similar claims of other states.

This treaty met with severe criticism on the part of the other States at the Genoa Conference, on the ground particularly that it prejudiced future arrangements which might be arrived at between them and the Soviet government. Should the Soviet government actually undertake to satisfy the claims of other States, in part or in full, the German government would, it seems, be entitled to similar restitution.

The question of whether the Soviet government will be asked to repay the debts contracted by the preceding governments in full, or only in part, was raised by the French government as early as 1920. The French government was of the opinion that the Russian debts should not be placed entirely to the charge of the Russian Soviet Federated Socialist Republic (the Soviet Union had not yet been established), but should be apportioned among the several new States which had been formed, in whole or in part, of territory formerly belonging to the Russian Empire. The eventual apportionment of the debt presents many problems, in view of the fact that by treaties concluded between these new States and the Soviet government, the former were released by the latter from all responsibility for the debts contracted on behalf of the Russian State by the Czarist and Provisional governments.

The present attitude of the Soviet government with regard to debts was indicated by M. Litvinov when he said on December 10, 1928:

Among them [the European States and the United States] there are some which had considerable financial claims against the Soviet Union as a result of the revolutionary decrees. They expected to force us to satisfy their claims by means of non-recognition. I expect that they have had sufficient time to become convinced of the ineffectiveness of this measure of pressure, and also of the fact that, by depriving themselves of a share in economic relations with us and of the resulting advantages, they are committing an act of so-called Japanese vengeance.

INTERNATIONAL COMMITTEE OF CREDITORS

The governments of the western States having failed in the attempt to obtain the payment of the Russian debts, private organizations have taken steps to effect this purpose. On October 28, 1928, at the initiation of Baring Brothers, an international committee representing groups of British, French, German, Dutch, Swiss and

Danish bankers was formed in London for the purpose of safeguarding the interests of foreign holders of Russian bonds. The committee states that it has no political aims. Its object is to provide machinery for the settlement of private claims against the Soviet government. The national groups represented on the committee pledge themselves not to conclude separate agreements with the Soviet government with regard to any bonded debts constituting either a direct obligation undertaken by the former Russian government or by a Russian municipality, or debts guaranteed by either of these authorities. The benefits of any agreement which may be reached are to be equally shared by the participating groups. American banks have refused to take part in the work of the international committee of creditors.

The representation of German bankers on the committee has aroused indignation in the Soviet press, and the Soviet government has stated that it considers such action contrary to the terms of the Treaty of Rapallo. The German government, however, disclaims any responsibility for the action taken by a private organization of German bankers.

The German government, from the very beginning, has energetically opposed the participation of a group of German banks in the international committee of Russia's creditors. Both to the Embassy of the U. S. S. R. in Germany and in official communiqués to the German press, it pointed out that the renewal of official discussions regarding pre-war debts can take place only in accordance with the clear provisions of the Treaty of Rapallo, and that the action of the German banks has no connection with the position of the German government concerning the Treaty of Rapallo or concerning the general political relations between Germany and the U. S. S. R.

Whether or not an international association of private concerns will succeed in obtaining even a partial payment of the claims which their respective governments, with the exception of Germany, have so far urged in vain, is still a question.

THE POLICY OF THE UNITED STATES

The policy of the United States, unlike that of other western States, has been to refuse, not only to recognize the Soviet government, but even to negotiate with it until it has acknowledged its obligation to pay the debts of its predecessors and compensate American citizens for the confiscation of property. The point of view of the United States has been that, if the Soviet government is sincerely desirous of recognizing Russia's debts and restoring the confiscated property of American citizens, it can do so without resorting to conferences and negotiations. The results of the recognition of the Soviet government by the leading western States have confirmed the United States in its opinion that recognition would not be followed by the payment of debts or the restitution of private property. In a statement issued on April 14, 1928, Mr. Kellogg said:

Certain European States have endeavored, by entering into discussions with representatives of the Soviet régime, to reach a settlement of outstanding differences on the basis of accepted international practices. Such conferences and discussions have been entirely fruitless.

No State has been able to obtain the payment of debts contracted by Russia under preceding governments or the indemnification of its citizens for confiscated property. Indeed, there is every reason to believe that the granting of recognition and the holding of discussions have served only to encourage the present rulers of Russia in their policy of repudiation and confiscation, as well as in their hope that it is possible to establish a working basis, accepted by other nations, whereby they can continue their war on the existing political and social order in other countries.

CAPITALISM VS. COMMUNISM

The issue at stake is not merely the recognition or non-recognition of the Soviet government but also the possibility of the coexistence, if not of the cooperation, of the capitalistic and the communistic systems. At the International Economic Conference, held in Geneva in May

and June 1927, at which the United States was represented, the Soviet delegation proposed the adoption of a resolution recognizing the coexistence of the two systems, and recommending that commercial relations be established with the Soviet Union. The American delegation avoided the commitments which the adoption of such a resolution by the conference might have forced on the United States, and suggested the substitution of a resolution to the effect that the conference "regards the participation of members of all the countries present, irrespective of differences in their economic systems, as a happy augury for a pacific commercial cooperation of all nations." This resolution was adopted by the Coordinating Commission of the Conference.

The hope that not only coexistence, but even co-operation, is possible between the two systems was expressed by M. Litvinov on December 10, 1928, when he said, referring particularly to Germany and Italy:

. . . There are other capitalistic States which long ago became convinced or are gradually becoming convinced of the possibility and profit of cooperation with a proletarian State, in spite of its socio-political peculiarities. Leaving the solution of the competition between the two systems to the historical process, they establish normal and at times even friendly relations with us, obtaining for the present all the political and economic benefits made possible by cooperation with a State of 140,000,000 inhabitants.

The alternative to cooperation between the two systems, according to the Soviet government, is conflict. That the Soviet government fears a concerted attack by the capitalistic States was indicated by M. Litvinov, when he said on December 10, 1928:

We are often accused of raising spectres of non-existent anti-Soviet blocs, of exaggerating the dangers which threaten the Union, of undue faith in communications regarding anti-Soviet plans and preparations. Of course, not all such communications deserve equal trust and attention, **not all reports** which reach us can be definitely checked up by means of documents. We even grant that not a few reports are circulated with no intent to convey information and some others for the purpose of intimidating us. But that which is known to us on

the basis of incontrovertible information and documents, and on the basis of official statements by our enemies themselves, is quite sufficient to give a clear idea of the dangers which threaten us externally. The struggle against our Union never ceased, it only took on different forms, corresponding to changes in circumstances. Yesterday—intervention and complete blockade; today—attempts at boycott and isolation; tomorrow—perhaps again intervention or war. This results from the fact that certain capitalistic countries have not yet assimilated the idea of the coexistence of two social systems: capitalistic and communistic. They continue to regard it their foremost task to destroy the only proletarian State where power for the first time belongs wholly to the workers and the peasants. Hypocritical are their solemn declarations that they, as it were, do not object to the construction by the workers and peasants in Russia of their own socio-political system, as long as this does not interfere with the affairs of other countries which, it is claimed, are subject to other laws of social development. The policy of such countries has been, and probably will long continue to be, wholesale interference in our affairs, an effort to prevent the growth of socialism from outside.

The Soviet government, he added, has proved its specific aims by the declarations it made in the Preparatory Commission on Disarmament. It has cause, however, to doubt the pacific intentions of other States.

Anxiety is created not by the peaceful policy of the Soviet government, but by the facts noted by me in the sphere of the relations of the Polish and Rumanian governments towards us, the endless conferences between the general staffs of these two countries and their lively relations with the military circles of France.

General disarmament, according to the Soviet government, is the only guaranty of peace. It has criticized the Anti-War Pact on the ground of "the absence in the Pact of an obligation concerning disarmament" and of "the insufficiency and indefiniteness of the very formula for the outlawry of war." Considering, however, that the pact "imposes upon its participants certain obligations of a peaceful character," the Soviet government adhered to it on September 6, 1928. It now desires to see the pact enter into force as soon as possible, "in particular in the mutual relations of the Soviet Union and its nearest neighboring States." With this aim in

view, the Soviet government invited the Polish government on December 29, 1928 to sign a protocol

. . . according to which the Paris Pact for the renouncement of war would enter into force between the Soviet Union and Poland immediately after its ratification by those two States, regardless of the conditions provided for in Article 3 of the Pact. By signing the aforesaid Protocol the Polish government would, of course, assume the moral obligation of speedily effecting, in the regular manner, the simultaneous ratification both of the Paris Pact and of the Protocol itself.

The Soviet government pointed out that the invitation to sign this protocol in no way affected the proposal for a non-aggression pact which it had submitted to the Polish government at an earlier date, "and whose conclusion would further contribute to a still greater consolidation of the good-neighborly relations between the U.S.S.R. and the Polish Republic." It informed the Polish government that an analogous proposal was being made simultaneously to the Lithuanian government, "as the only Baltic country which has already adhered to the Paris Pact." Finland, Estonia and Latvia were not approached "only for the reason that those States have not yet formally adhered to the Paris Pact. The Soviet government reserves for itself, however, the right to apply to them after they have adhered to the Paris Pact."

The Polish government, in a note dated January 10, 1928, expressed its willingness to accept the Soviet government's proposal "in principle." It stated, however, that the provisions of Article 3 of the pact made it necessary for Poland to obtain the opinion of the other signatories with regard to the regional application of the pact prior to ratification by all the parties. It expressed surprise at the fact that the Soviet government had approached Lithuania, which has refused to establish diplomatic relations with Poland, and had failed to approach Finland, Estonia, Latvia or Rumania, all of which "had declared in one form or another their readiness to adhere to the pact." Finally, it took the position that

the problem of security in Eastern Europe should be examined by all the interested parties together, and stated that it considered itself under obligation to ascertain directly the views of the States of Eastern Europe regarding the Soviet government's proposal.

After several weeks of proposals and counter-proposals, in the course of which the Soviet press accused the Polish government of procrastination and evasiveness, a protocol supplementing the pact was signed in Moscow on February 9 by the Soviet government, Poland, Rumania, Latvia and Estonia. It has been officially stated in Bucharest that the Soviet government has agreed, in compliance with the joint request of Poland and Rumania, to make the protocol include non-recourse to armed methods in the settlement of disputes such as that which has been pending between the U.S.S.R. and Rumania regarding the possession of Bessarabia. At the time of signature M. Litvinov referred to the protocol as the "latest link in a long chain of Soviet efforts toward disarmament and peace."

MOSCOW'S REAL FOREIGN POLICY³⁴

Distrust is the outstanding feature of Soviet foreign policy. The press here dwells constantly upon the common political and economic interests of Russia and Germany that will be imperiled by the latter's joining the League of Nations. Any reference to the benefits Germany will derive from cooperation with other Western Powers is sedulously avoided; every effort is made to prove that nothing fruitful can come out of Locarno. In fact the Soviet newspapers have rung the changes upon the hostile significance of the Locarno pact for Russia, and the Machiavellian intrigues behind Germany's joining the League, until the people here have come to

³⁴ From article by Nicholas Basseches. *Living Age*. 328:509-15. March 6, 1926; No. 4261, from the *Vossische Zeitung*. (Berlin Liberal daily) December 14, 1925; January 3, 1926.

believe that the Conference was a serious diplomatic blow to the Bolsheviks.

No sooner was the Locarno pact signed than it began to be whispered everywhere in Western Europe that Russia's entrance into the League of Nations would constitute a long step forward toward permanent peace; whereupon the newspapers and the official spokesmen of that country hastened to repudiate such a suggestion. They declared that cooperation with the League would be impossible for an honest Communist State. The League, for example, supported a colonial policy incompatible with the political program of the Moscow authorities.

Nevertheless, high Bolshevik officials have intimated that the Soviet Union is ready to send observers to Geneva. Altho they cannot commit themselves to membership in the League, they admit that it plays an important part in the world, or at least in Europe. An observer would keep Moscow informed of what was happening at League headquarters, and might sometimes be able to influence decisions there. At the same time the Soviet Union would thus retain a free hand to step in decisively when occasion demanded to make its influence felt directly upon Europe's political evolution. Whether or not the rest of the continent will assent to such an arrangement is not discussed.

Rather oddly, one of the most significant results of the Locarno settlement has been overlooked by the people at Moscow, altho they ought to be the first to see it. For this agreement makes it possible to put the relations of the Soviet government with the rest of the world on a stable footing. The first step toward this would be to establish a *modus vivendi* between the British Empire and the Soviet Union; the second, to do the same in respect to France. Up to the present Russia's geographical situation, and to some extent her political organization, have made her the stronger party in such negotiations, notwithstanding her military and economic

weakness. England, faced by a discordant Europe and by the immensely overestimated influence of Russia in Asia, feared to make any concession to Moscow, lest she endanger the integrity of her Empire. But now the situation is completely changed. With Europe stabilized and immediate dangers from that source banished, the great Western Powers can afford to make Moscow some concessions.

All negotiations between the Soviet Union and the Western Powers have come to grief over the debt question. The masters of Moscow steadfastly refuse to recognize Russia's pre-Revolutionary obligations; but her creditors demand that recognition with equal insistence before they make new loans to her—in fact before they resume normal political and economic intercourse of any kind with her. Both parties stand out for their particular definitions of private property—but here they are merely fighting over theories. Private property is not abolished in Russia, while in many parts of Western Europe government debts have been in large measure repudiated. To say nothing of the defeated countries and the new States that have expropriated the private property of their citizens by inflation. France is a conspicuous sinner in this respect. A Russian economist has just pointed out that France's interest charge upon her pre-war debt has been reduced to about one-fifth its original amount simply by the depreciation of the franc, and that, since the Paris Bourse quotes government rents at only 46 per cent of their nominal value, holders of such obligations have actually had nine-tenths of their capital expropriated.

Russia's repudiated obligations, including compensation for the alien property she confiscated, amount to nearly fourteen billion rubles. Interest upon this sum would be in the neighborhood of six hundred and forty million rubles. In order to pay this sum and the carrying-charges of the new loans that Russia would have to

contract in order to put herself in condition to meet these obligations, the government would be forced to raise about six and a half rubles annually from every one of its inhabitants. Including direct and indirect taxes, the amount now raised is about four rubles. Of course it is clearly impossible to increase that burden by more than 150 per cent without starting a peasant revolution. How alert the peasants are to this fiscal danger was apparent at the debates in the Central Executive Committee when the ratification of a treaty with Great Britain was under discussion. These delegates, in alarm lest this treaty involve commitments regarding that debt, suddenly formed themselves into a real Opposition, for the first time since the Communists have been in power.

It would be equally impossible for Russia to meet her foreign obligations out of the proceeds of her public industries. Last year the total revenue from these was only a little over one hundred million rubles. Even the most miraculous expansion would not make them yield the eight hundred and eighty million rubles annually that economists estimate would be required to carry the total debt burden, to say nothing of providing the additional capital required for their own future development. As for the railways and the postal service, tho there is no present deficit, they earn no profit.

We are forced to conclude, therefore, that the Soviet authorities know what they are about when they limit their debt offers to promises of remunerative industrial and agricultural concessions, the extra profit from which, above a normal interest on the loans required to exploit them, may provide some compensation for their creditors.

It is a mistake to oppose New Russia merely because we insist on identifying that country with Communism. It is a mistake on the part of the Bolsheviki to imagine that the whole world is going ultimately to follow Russia's Communist footsteps. Russia's aggressive propaganda of Communism will gradually cease. Indeed, it

receives its principal encouragement today from its enemies. In fact, that has been true from the first. When the Kerensky government was fighting the Bolsheviks in 1917, the latter had relatively few resources for propaganda. The denunciations of their enemies are what taught their doctrine to the masses.

It would be better also to drop the agitation against the Cheka. Of course that is an institution quite intolerable from our Western European point of view, but it is obviously evolving from the wild, bloody romantic inquisition of the revolutionary period into a rather dull, bureaucratic body that is little by little losing its power and influence.

Last of all, the dreadful Communist International is by no means as intimidating as people in Western Europe imagine. Studied at first hand in Moscow it loses many of its terrors. Naturally, its leaders are only too delighted to have everything that happens anywhere in the world ascribed to their activity. The independence movement among the Mohammedans, the Chinese Revolution, the struggle for Indian emancipation, all antedate Bolshevism and the Communist International, and are following their own logical evolution with which Communist theories have exceedingly little to do.

To be sure, the Soviet Union and Germany are the only two important European Powers that are at all popular with the Mohammedans and the colored races in general, but that is because the latter fear nothing from those governments. Alarmist agitators against the Communist International commit the cardinal error of representing that organization as greater and more powerful than it really is. They persuade insurgent elements everywhere that this International must be a powerful ally whose friendship and help should be sedulously sought.

Now another little fairy tale—that of Russia's rolling rubles with which the secret agents of the Third Inter-

national are supposed to finance trouble all over the globe. The diversion of money from the Russian treasury for Communist agitation in other parts of the world is quite impossible. The authorities would never dare to expose themselves to the charge that they were spending the taxes the peasants pay for such schemes as that.

But the Communist Party itself has large independent revenues. Not only do its six hundred thousand enrolled members pay regular contributions into its treasury, but its constitution fixes a so-called "Party maximum." All that a Communist earns in excess of a hundred and ninety-two rubles a month he must pay into the Party treasury. Under this regulation many of the higher officials in Russia turn over to the Party from one-half to two-thirds of their salaries. This does not, of course, include gratifications and other outside income. But the sum is a very large one, and a considerable portion of it eventually goes into the coffers of the Communist International.

Now no diplomacy can deal with this. Technically the Soviet government has no connection with the Communist International. Great care is taken even to prevent any person from simultaneously holding a responsible office in the government and in that organization. Zinoviev, as we all know, is not a member of the Soviet government, but is only the elected mayor of Leningrad.

So it is quite beside the mark to assume that you can suppress Communist propaganda thru the Soviet government. We must accustom ourselves to separating the two bodies in dealing with Moscow.

Leading officials whom I have interviewed here thus describe their government's foreign policy. Mohammedan Africa and Asia form four distinct political groups. All these groups are struggling to emancipate themselves politically and economically from Europe, and in a lesser degree from America. One of them, the Japanese Empire, has already accomplished this within its own territories,

and is now intent on pushing Europe out of Continental Asia and establishing its own economic supremacy there. The second group consists of Europe's colonial dependencies in Asia, which do not yet know just what they want or how to get it. The third group, China, is advancing rapidly toward political self-consciousness and will soon be able to throw off completely foreign economic and political domination. Still further advanced in this respect are the Mohammedan countries. They present substantially the same pictures from Morocco, thru Egypt, Syria, and Arabia, Turkey, and Persia, to Afghanistan. Their historical development is simple and logical. Beginning with the Young Turk movement and similar agitations in other Mohammedan countries, it manifested itself first as Pan-Islamism—that is, as a Mohammedan imperialism. But it has now reached the stage of Mohammedan nationalism, whose champions are fighting for the independence and autonomy of their respective countries. This involves the renunciation of political imperialism by Turkey and of cultural imperialism by the Arabs.

Quite remarkably, nationalism in Asia differs radically from that in Europe and America, because it does not look back toward the constitution of the forefathers and the glorious traditions of the past; neither does it emphasize national culture or national religion. Instead of that it is distinctly anticlerical, and seeks to adopt European civilization. This movement is personified in the Mohammedan world by four great leaders—Abd-el-Krim, Kemal Pasha, Riza Khan, and Ammanulla Khan in Afghanistan. All these men, and their people behind them, are marching along the same route toward the same goal. We see this most distinctly in Turkey, and least distinctly, on account of local conditions, in Morocco.

Everyone knows that Moscow has devoted her chief attention to the Orient and Asia ever since the Bolsheviki seized power. We also know that Moscow imagines that

the capitalist régime in Europe and America will be overthrown by a movement starting in Asia and Africa. According to this theory, the great industrial States will first lose their colonies and, being deprived of markets in these dependencies, will be unable to find employment for their workers. The latter in their distress will thereupon revolt and overthrow their capitalist governments.

But the Moscow theorists regard this as still a long way off; because they think the peoples of Africa and Asia are still in the feudal age, and that it will take a long time for them to acquire the modern Socialist conception of society. For the present, therefore, Asia is looked upon rather as an economic ally.

Let me repeat, the Soviet government's influence in Asia, and likewise its designs there, are tremendously exaggerated. Not all the revolutionary agitation in the Far East is welcome to Moscow, for the Union of Soviet Republics has many Oriental and Asiatic nations under its own sway. The Soviet authorities are outspoken enemies of Pan-Islamism, not only because they are anti-clerical and Pan-Islamism is clerical, but because Moscow regards that movement as an imperialist agitation threatening the integrity of its own realm. But all revolutionary agitation against European governments makes capital for the Soviets.

Moscow does not start these agitations. They began, as I have said, before the World War, and nothing has done more to strengthen them than the war propaganda of the Entente itself. Consider only how England encouraged the Arabs from Irak to Syria to rise in a national revolt against the Turks, and how this movement has reacted upon Egypt and Morocco! Moreover, the Soviet government has been very clever in granting its own Oriental subjects a large measure of cultural and national autonomy, and thus starting an agitation for similar rights in the countries beyond its own borders.

Moscow maintains no direct relations with North Africa. It did keep a representative in Hejaz for a time, but this connection has virtually ceased since the change of rulers there.

But much closer ties have been established with Angora, and recent developments in Persia have not been unwelcome to the Soviet leaders. The latter have handled Russia's case in that country very skillfully. Their renunciation of all special privileges in Persia was a shrewd move amply repaid in the good hard coin of political favor. For those privileges were of little practical value to the Soviet government. Economic concessions meant nothing to a country that needed all its capital at home. The Moscow papers welcomed the overthrow of the old dynasty, and tho they were inclined to protest against Riza Khan's assuming the title of Shah, they recognize the practical exigencies that made him do this. Riza Khan has been fighting the reactionary feudal nobles in Persia with the help of the merchant classes and the intelligentsia. The common people have thrown their favor first to one Party and then to the other. To set up a republic that the ignorant masses would not understand would merely make capital for the clergy. Consequently it is prudent to preserve the ancient forms of government in Persia; and in any case the new ruler will have to make some compromise with the nobles. But the change of dynasty is a victory of the young Persian movement that the Soviet authorities are backing.

Relations with Afghanistan are friendly. Moscow diplomacy has succeeded in banishing to a great extent the former distrust with which Russia's designs in Central Asia were regarded in that country, and that distrust is now transferred to England.

But the cardinal point of Soviet policy in Asia lies in China. There too a powerful national movement has arisen, and Moscow interests lie in promoting it. General Feng Yu-hsiang's Chief of Staff has spent several weeks

in Moscow, and, tho nothing is known of any formal agreement between Russia and the former Kalgan commander, their informal relations are frankly friendly. For some time now Moscow has based no hopes on Chang Tso-lin. All the Soviet Union proposes to do with Eastern Asia for the present is to give its moral support to a united and independent China, and perhaps to cultivate good relations likewise with Japan.

Soviet newspapers take great pains to emphasize that their government has no designs hostile to Japan in Manchuria. They advocate the cooperation of Japan, China, and Russia in Asia, and are careful to make it clear between the lines that Russian influence in China is not antagonistic to Japan's interests. A number of public demonstrations have been held in Moscow to show how friendly Russia is to that country. The enthusiastic welcomes given to the Japanese aviators and to the Japanese railway delegation, the special honors shown the Japanese Ambassador, the numerous banquets that celebrated the signing of the Sakhalin agreement, are signs of the sedulous effort that the Soviet government is making to cultivate the friendship of its Far Eastern neighbor. In Japan itself there are two opinions on this subject. The Foreign Office is exceedingly anxious to maintain close and friendly relations with Russia and to keep out of complications in China; but the Japanese military party wants intervention in China and will back up Chang Tso-lin. Officially, the Foreign Office has the upper hand, and Moscow is supporting its program with the utmost energy and discretion.

Does Russia look forward to using Asia as an ally against Europe? It is an exaggeration to talk about Russia's organizing an anti-European movement covering all Asia. People forget, for example, that the national movement in China has made a long march forward since the Boxer outbreak. There is nothing negative in the Asiatic movement from Angora to Peking; it is not anti-

European, but is pro-European in its eagerness to adopt European science and civilization. It is a forward-looking agitation. Personally I think that Moscow is utterly wrong in imagining that the emancipation of Asia will spell the collapse of capitalism in Europe and America. It is quite as likely that the economic uplift that may follow that event will raise the standard of living of the native population and multiply its demand for European wares. If the four hundred million people of China, for example, manage eventually to organize a stable government and to develop the resources of the country along modern lines, China will afford an enormously larger market for Western products than she does at present.

Moreover, Soviet Russia and Asia are not attracted to each other by the similarity of their social and economic theories, but by the identity of their political interests. Communist doctrines can never gain much of a foothold in the latter continent. Moscow has efficient propaganda-universities for students from the Far East, but the number who attend them from outside Russia's boundaries is steadily diminishing. These institutions are rapidly becoming universities for the Asiatic peoples in the Soviet Union. When a foreign graduate goes back to his own country he generally proves a disappointment to his teachers. He quickly picks up the ideas of his fellow countrymen. When the Hindu propagandist returns to India after receiving his degree he soon acquires the religious patina of the native mind and discards many of the doctrines he has been so carefully taught at Moscow. When a Chinese graduate goes back to his country he quickly drops Communism and joins the bourgeois national movement.

Last of all, Russia is not destined, as so many imagine, to become a Eurasia. The great potent forces here in Moscow are drawing the country irresistibly to Western Europe. It is from that direction that the nation's real

cultural demands and technical necessities must be supplied. One of the chief tasks of European policy should be to break down the sentiment of isolation that still survives in the Soviet Union. The present government cannot possibly join the League of Nations. It is too distrustful of its Western neighbors. But this does not preclude closer diplomatic intercourse.

An irrepressible conflict between Asia and Europe is a myth. The identification of Russia with Asia is likewise a myth. But the Soviet government is filled to overflowing with suspicion. It imagines that dangers threaten it from every side. It distrusts Locarno, it distrusts Geneva. Therefore it turns to Asia for support. Wise statesmanship in Western Europe may change this attitude. But if anything should happen to throw the Soviet Union into the arms of Asia, if an Asiatic Locarno should emerge from the present confusion to balance the European Locarno, then we may have cause for serious concern.

BOLSHEVIK FOREIGN POLICY³⁵

The Soviet government is still a revolutionary government. After 1921, the New Economic Policy stimulated an opinion in the West, and even in some Russian quarters, that Communism in Russia was doomed, that Bolshevism remained merely as a façade, and that capitalism would soon dominate the Soviet federation. This was an illusion. Moscow's policy in 1929 was more radical than at any time since 1924, and while fluctuations and zigzags in the future are not excluded, the régime promises to retain its present anti-capitalist, anti-imperialist, and proletarian character.

That character must find internal political as well as foreign political expression. The Bolsheviks have under-

³⁵ From article by Louis Fischer. *Yale Review*. 19:508-25. March, 1930.

taken fundamental changes in the economic structure of the Soviet Union. The agricultural system, basing itself on a poor, backward peasantry, held out a passive threat of crushing communism by its inertia, its weight, and its opposition to reform. To destroy its negative political influence, the Soviet government cast the torch of class war into the village, raising up the poor against the rich muzhiks. To undermine the power the village exercises as food purveyor of the city, the Bolsheviks mean to bring the city into the country by mechanizing agriculture, organizing it cooperatively, and establishing state farms or grain factories which will yield the government a bread surplus first for feeding the town populations, and ultimately, it is hoped, for export. These processes affect intimately and daily the lives of 120,000,000 peasants and 25,000,000 peasant households. All Russia is rocking in the gigantic, dramatic struggle to stir, arouse, reform, improve, modernize, and weaken that most unprogressive of European economic units—the Russian village. The proletariat expects to win the combat, and the metropolitan wedge into the rural mass is indeed becoming weaker.

Simultaneously, and consequently, the Bolsheviks are faced with the task of rapid, large-scale industrialization. The Bolsheviks plan within a decade to turn Russia upside down and inside out industrially. The Soviet Union feels that it must catch up with Europe and then outdistance her. Moscow even aspires to run a race with America. Neither patriotic zeal nor personal whim explains this striving. Excess village population, forced to seek homes and a livelihood in the city, and the increased buying capacity and higher standard of living of the peasantry make it imperative for the government to create more jobs and more goods. Hence industrialization.

More goods can be had from foreign countries. No peasant philosopher, no anti-Bolshevik however fanatic,

will argue that Russia should become an agricultural colony of the industrialized West, and sell her grain for imported articles of consumption. Some industrialization stands on the program of all factions. But the Bolsheviks represent the policy of greatest haste because they believe that in the present age of bitter competition by the great powers for new world markets a foothold in the Soviet Union for one or several of them would prevent that measure of industrialization which objective conditions in Russia now demand. The Soviet government's tactics of using the monopoly of foreign trade strictly to limit imports of articles of consumption may work hardships on the people. But the opposite policy would curtail employment in the city without appreciably increasing employment in the villages. Industrialization makes the city a bigger, richer customer of the village. The idea behind it is somewhat like an American idea of paying higher salaries so that the worker may be able to purchase more goods. The Russian village is today, willy-nilly, paying the wage which will create a better Soviet market for its own output.

Socialization and mechanization of the village plus industrialization of the cities, together with the accompanying social and cultural changes, are at present absorbing the energies of the Bolsheviks. The observer notes a mounting disinterestedness in foreign affairs and foreign revolutionary possibilities.

The more revolutionary policy at home marches hand in hand with greater indifference to developments abroad. In the Trotsky-Stalin party controversy, Trotsky contended that socialism could not be built in one country and that so backward a country as Russia. Stalin defended the contrary view. Stalin won. The old notion that the Soviet government could neither persist nor succeed without revolutions in other lands is considered obsolete. Moscow today submits the proposition—embodied in a Soviet resolution, for instance, at the Inter-

national Economic Conference in Geneva in May, 1927, —that the capitalist and communist worlds may live side by side in peaceful coexistence. Instead of concentrating energies on the overthrow of world capitalism, the Bolsheviks are now bent on making good themselves.

Industrialization, the consequent concentration on home affairs, and the desire to expand intensively instead of extensively are a guaranty that the Bolsheviks will seek peace. They do not wish by going to war to interrupt constructive processes on which the success of the régime depends. The Soviets are being tested by history, and they will not be diverted by beating ploughshares into tanks or by digging trenches.

Yet this same policy of industrialization creates difficulties for Moscow in the realm of foreign affairs. Industrialization necessitates the importation of machines and mechanical equipment on long-term credit. A manufacturer can open short-term credits, but for long-term credits he must apply to the banks. In Germany, the banks dispose of very limited long-term credits. In England and America, the banks refuse to grant long-term credits. Large American companies are either so rich or so intimately related to banks that they can, without inconvenience, keep Soviet bills in their portfolios for years without discounting them. But this can rarely be done by firms in other countries.

Bolshevik insistence on industrialization despite this obstacle, with virtual disappearance of grain exports, limits the growth of Russia's foreign trade and therefore the interest of it to the foreign business world.

Theoretically, a country in the process of industrialization should be as good a customer as an agricultural country. Whether the Bolsheviks buy from England textile-making machines or textiles, the turnover and the profit may be equally large. And yet, tho this should apply generally, it has been Britain's traditional policy to discourage manufactures in her colonies and dominions.

British industry is best organized to export textiles, woollens, coal, ships, and so on, and if Russia produces these herself, England loses. If Asia produces these, England loses, and England therefore has no interest in the awakening of the East. American industry, on the other hand, was developed later than England's and along different lines, and is better equipped to sell large quantities of machines than large quantities of articles for direct consumption. America's trade policy toward the Soviet Union is therefore unlike England's, and their political attitudes, too, are unlike.

For a number of years, and until 1925 approximately, German business circles also opposed Soviet industrialization and the monopoly of foreign trade which aids it. But the rationalization of German industry after the Dawes plan and the reorganization of the German machine industry have effected a change of attitude. Yet no German wishes to see a strongly mechanized Russia which would compete for Germany's Asiatic and Baltic markets.

Industrialization also discourages at present an active concession policy in Russia. Altho the Soviet government has from time to time announced more liberal intentions in the granting of concessions, the fact that domestic forces and funds are increasing industrial output tends to obviate the necessity of concessions. As long, for instance, as oil production at Baku and Grosni did not work well, Moscow weighed the advisability of inviting foreign oil companies to accept concessions. Now that is inconceivable. Foreign concessions working for the export market compete with Soviet exporting agencies—Moscow would scarcely grant monopolies—and depend so much on fluctuations of world dimensions that, except in the case of gold and perhaps one or two other commodities, the likelihood of important concessions is not great.

The Soviet government will, of course, harness and pay for the mechanical experience and manufacturing proficiency of American or German or British firms. Its contracts with Henry Ford, du Pont, Hugh L. Cooper, the Austin Construction Company of Cleveland, and the General Electric are instances in point. But these are not concessions. These companies are merely the "capitalist robots" of the Bolsheviks. However, foreign concessions not for export but to supply the hungry Soviet internal market face wider possibilities of success, and have earned considerable profits despite difficulties of valuta transfer. The Gillette Razor Company, for example, should make millions shaving the national beard which cartoonists have immortalized. But in this field, too, the government itself seeks to become a competitor at the earliest opportunity.

Industrialization, accordingly, has the direct and indirect effect of limiting the number of foreign concessionaires and damping the interest of foreign traders. The Soviet political system discourages investors and lenders. The Azerbaijan Oil Trust, the Donetz Coal Trust, and the Moscow Municipality are tremendously rich, profit-earning, solvent business enterprises which, if operated in any other country could easily borrow in London, New York, or Amsterdam. But in the case of default, bankruptcy, or delinquency, no British or American or Dutch bank could attach the property of these undertakings in Baku, Shakhti, and Moscow. The property is government property, and Bolsheviks would never permit its alienation by foreign capitalists.

The position of the Soviet government as a whole raises a parallel difficulty. When Poland borrowed money from international banks, she guaranteed that loan by the income from customs, railways and certain state monopolies, employing Mr. Charles Dewey as the virtual economic dictator of the country. Similar guaranties have been given and financial advisers accepted by Austria

and Hungary. But Moscow will not pawn state-owned enterprises, nor could a foreign capitalist be invited to dictate the terms of Bolshevik economic construction and management.

Foreign bankers would regard a loan to the Soviet Union as a risk which might, however, be undertaken if commercial or political guaranties were offered by Moscow or if some foreign nation gave the guaranty, as Great Britain proposed in 1924. Neither condition is likely to be fulfilled.

Soviet failure to pay debts of the Tsarist regime undoubtedly plays an important part in the embargo placed on the Soviet Union by most foreign banks. Yet probably a greater factor is the impossibility of obtaining a real guaranty for loans to the Soviet Union. The immediate and more obvious causes are simpler. In the United States, banks seek State Department approval for foreign loans, and, in the absence of diplomatic recognition of the Soviet Union, the State Department withholds such approval for loans to Russia. In England, political friction and the disinclination to stimulate Soviet industrialization serve as obstructive influences. The banks of other countries frequently attune their activities too closely to those of the Anglo-Saxon financial world to step in where Wall Street and London have imposed a boycott.

Soviet trade with the United States is growing rapidly, and is inducing an improved spirit towards Russia in Washington and in the American press, but it may be years before trade alone will bring about the establishment of diplomatic relations. Soviet exports and imports give employment in certain British industries and trade unions, and could, granted a proper and purely economic approach, achieve more in this direction. Yet the total turnover is not large enough to shape Downing Street's policy in larger questions. Other countries, like France, are even less concerned with Soviet business, while

Poland and Rumania, Russia's neighbors, permit political motives to paralyze commercial intercourse. Germany, alone of the great Western powers, attaches prime significance to commercial relations with the Soviet Union, and permits them to influence her foreign policy towards Moscow. This is equally true of Estonia, Latvia, Turkey, Persia, and Mongolia. Japan occupies a special position in that her important coal and oil concessions in Sakhalin and fishing rights off the Siberian and Kamchatka coasts as well as her trade with Russia help to solve serious problems of raw material and food.

Despite the decrease in Soviet grain exports, the total foreign trade turnover has not lately diminished or become passive. Russia is fast developing the exportation of industrial products not only to Asia but to Europe and the United States. Besides the Bolsheviki expect within three or four years to return grain to the export column, and in general, according to the Five-Year Plan, to raise the foreign trade turnover to 3,752,000,000 rubles by 1932-33, of which 2,047,000,000 rubles will be exports and 1,705,000,000 rubles will be imports.

When the volume of trade assumes these proportions or exceeds them in the more distant future, the Soviet Union will acquire greater economic significance to the outside world, and that significance will necessarily color international political relations as well. In the meantime, this remains a potentiality and a hope.

At the present time the Soviet government has also no wide political advantages to offer foreign countries. If Moscow were prepared to throw its weight to one and against another group of powers, both would court Bolshevik good will. Russia has an army and an important geographical position, and her political voice would be heard if she cared to sell her support and friendship for the usual diplomatic *quid pro quo*. The Tsarist government approved of Italy's designs in Northern Africa, and in return Italy promised to smile

on St. Petersburg's strivings toward Constantinople. More recent years have witnessed similar gives and takes, but the Soviet Union refuses to participate in them. And when a nation has no price, it ceases to be quoted on the world political bourse. Its name is not on the diplomatic Rialto. Bolshevism's principle of no entangling alliances weakens the Soviet foreign position.

The United States, for instance, is not so rich as to scorn intimate business dealings with the Soviet Union, but it is too rich to go far out of its political course to win that trade. If Russia would signify a willingness to back American policy in China or in the Far East generally, diplomatic relations with Moscow might become more attractive to Washington; yet, altho both America and Soviet Russia favor the unification of China, Russia's approach and principles, and her conception of the social basis of that unification are so different from America's that the two cannot walk together. Or if Moscow were prepared to assist the United States into a position of protector or guardian of the Kellogg Pact, American *de jure* recognition of the Soviet Union would probably be brought a long step nearer. Russia adhered to the Paris Pact in order, largely, to establish friendlier relations with Washington as well as to impress her immediate neighbors with her pacific intentions (hence the Litvinov Protocol of January, 1929), yet Litvinov felt free to rebuff Mr. Stimson last December when he suspected that the State Department might be reverting to its traditional policy of the neutralization of the Chinese Eastern Railway, or that the United States wished to act as arbiter in the Manchurian dispute. After Russia signed the anti-war pact, a better atmosphere was created between Moscow and Washington. Yet the Commissariat of Foreign Affairs incurred the risk of wiping out this gain thru the Kremlin's rude rebuke to the American government when this country evidenced what appeared to Moscow a more than normal

interest in the Sino-Soviet controversy. Clearly, the Soviets want to go their way alone. They grow violent at the least hint of foreign interference. They reject the League of Nations. They oppose arbitration.

The Bolsheviks likewise avoid multilateral agreements of large political significance. It has been Moscow's policy to destroy any Polish attempt to organize a Baltic *bloc* which would act as a unit in dealing with the Soviet Union. Moscow signed the international Lausanne Treaty with Turkey in 1922 but failed to ratify it. The adherence to the Kellogg Pact was an innovation in this regard, and many leading communists fought the step because they foresaw the possibility that the Pact might be used to mobilize foreign powers against them. Their cause has been strengthened by the first test to which the Kellogg Pact was put in connection with the recent Manchurian episode.

This Soviet aloofness largely explains Soviet isolation. With Germany, however, as well as Lithuania, Turkey, Persia, Afghanistan, and Outer Mongolia, Moscow pursues an active policy of cooperation; and it could have had alliances with one or more of these countries. It rejected them. Nevertheless, it is ready to buttress their international positions. "Our policy is to support the feeble," Chicherin said to the writer. If France becomes weaker than Germany, there may be a readjustment of Soviet sympathies. This seems a peculiarly inverted and impractical way of conducting foreign policy. Yet the chief bond between the Soviets and Germany is Germany's subjection to the Versailles system and to reparations. Between France and Germany today, the Bolsheviks choose defeated Germany as a political partner. Between Italy and Turkey, their choice is Turkey. Between Poland and Lithuania, it is little Lithuania. Such tactics are often a liability to Soviet foreign relations.

In regard to Turkey, Persia, Afghanistan, and Outer Mongolia, the Soviet Union is moved by its bias for revolutionary governments, as was the case between 1924 and 1927 in its dealings with Kuomintang China. Moscow wishes to see these countries united and strong enough to resist the efforts of other powers to penetrate and dominate them, and, perhaps, use them as spring-boards for attacks against Russia. In the case of Persia, the Bolsheviki might easily have reverted to the Tsarist arrangement with England of spheres of influence. But such a policy would be unthinkable. The Soviet Union maintains truly warm relations with these Asiatic nationalist-revolutionary countries as with Germany and Lithuania.

Vanquished and puny and anti-imperialist nations turn to Russia for comfort. This is a trump which the Bolsheviki could sell to the big powers. Indirect bids have, indeed, been made, and direct bids, too. Invariably Moscow says "No." Italy can give Russia more in a practical, material way than Turkey. Yet a Soviet state could not possibly barter the life interests of a foreign revolutionary régime for a consideration from a capitalist power.

All these internal and external factors frequently make Soviet foreign policy immediately, and for practical purposes, fruitless. When Moscow negotiated its treaty of January, 1925 with Japan and recognized the validity of the Portsmouth Treaty which ended the Russo-Japanese War, it declared that this must not be taken to signify approval of Japanese action in Korea. Such championing of the Korean cause necessarily irritated Tokio and could yield the Soviets no possible compensation. Yet public opinion at home and abroad and their own principles may force the Bolsheviki to inflict such damage on themselves. They merely hope that at some future date the moral inspiration of these acts will bear fruit. Moscow's sympathy and encouragement for

nationalist movements in the East destroy many attempts at diplomatic conciliation with the West; but Moscow does not modify its strategy.

Thus Soviet industrialization and its implications, Soviet refusal to participate in international *blocs* and alliances, and sympathy for revolutionary-nationalist tendencies in Asia embarrass Soviet foreign policy in the present.

Communist propaganda is another liability. Bolsheviks do not believe in assassination or similar terrorist pinpricks as methods of precipitating revolution. But world revolution is written on their banner. They argue that capitalism, like feudalism, must outlive its usefulness, and that then it will be succeeded by communism. They are not fatalists. Organization of proletarian forces and education of the masses are on their program. Such experience and training will, they contend, serve useful purposes when objective economic and political conditions in a given country make revolution imminent. The proletarian revolution is inevitable, they argue; and they eagerly note every landmark and milestone on the road to the goal. The road, however, seems to be lengthening. Bolsheviks are too realistic not to see that Western capitalism has temporarily stabilized itself.

Capitalist stabilization alone would have compelled a change of tactics. But Soviet stabilization has accompanied capitalist stabilization. In the early years of the Bolshevik régime, all Bolsheviks accepted the thesis that the Russian revolution could not be successful unless a world revolution or at least a revolution in some important countries came to its support. While communism in Russia was in its infancy, the prospects of revolution in Europe were not altogether nil. Today, on the other hand, the Soviet government is stronger, its economic position vastly improved, and its possibilities of greater success along the road to socialism are decidedly encouraging to the Bolsheviks. If Socialism can be

built in one country by concentrating on its problems, the emphasis on world revolution naturally diminishes especially as foreign conditions do not warrant sanguine hopes for the near future. It is significant, therefore, that communists have now commenced to relate their prophecies of world revolution to the next world war. To be sure, they say the revolution may come first. Yet more and more spokesmen connect the international proletarian upheaval with future military struggle. As Moscow, in its domestic policy, takes a sharper course towards socialism and the Left, accordingly, the powers are likely to note a diminuendo of interest in foreign revolutionary issues. It would be instructive, if the facts were generally known, to observe how irritating Comintern activities and methods are to some of the persons responsible for Soviet diplomacy.

Europeans generally admit that a new world war would bring revolution to Eastern Europe and as far west, at least, as Vienna. Europeans suspect that in the event of war, workers at home will oppose their capitalist governments and seek to convert international into civil war as the Bolsheviks did in 1917. This fear of revolution undoubtedly tends today to check militarist eagerness in some Western countries and may, in time of crisis, postpone a great struggle. The example and moral encouragement to revolution personified by the Soviet Union are thus at least a negative factor for world peace.

Somewhat of a paradox intervenes, yet like many paradoxes, this one is quite natural. The workers of Europe were more friendly to the Workers' State in Russia when Bolshevism was weak than now when it is stronger. Between 1918 and 1920, foreign proletarian help, to which Lenin, Chicherin, and other Russians repeatedly appealed, contributed towards Soviet victory in the civil war. But as Bolshevism registered economic victories on the peace-time internal front, its foreign trade union friends cooled. Especially in England, they

have resented interference from Russia, refusing to believe that internationalism is becoming a dominating feature of modern capitalism, and that more outside interest in local British labor issues might, as the Bolsheviks contend, prevent German miners or American miners from ruining the chances for success of a British strike. The Bolsheviks assert that more outside interference in national labor problems would benefit national labor forces. They therefore subject Social Democratic and Labor parties in bourgeois countries to bitter, unbridled criticism, which—since these parties frequently participate in bourgeois cabinets—creates antagonism and complicates the task of Soviet diplomats.

The Bolsheviks try to win labor's friendship by inviting foreign workers to visit the Soviet Union and to study its economic gains and social innovations. The results are varied. Nevertheless, far-seeing diplomats, especially Germans, realize that the permanent success of Soviet economy will carry a moral to the proletariat of other countries. The Bolsheviks cultivate this asset-in-the-bud. They are sometimes as sensitive to foreign labor opinion as to the opinion of their own citizenry, for, in an hour of need, labor may react as it did in the period of anti-Soviet intervention.

While even this weapon has been blunted, it will be realized to what extent Soviet diplomacy has no teeth. Moscow disposes of very few means of putting pressure on foreign countries in an international issue. In this respect, the raid in force which the Red Army undertook into Manchuria on November 18, 1929, represents an innovation. It followed on considerable provocation in the form of several score of Chinese and "White" Russian incursions into Siberia, against which Moscow protested in diplomatic notes and in the press, and it was a quick *coup* ending with an equally quick retirement to home territory after a show of strength had compelled the Mukden authorities to accept Soviet demands. But

in no sense can the raid be styled "war" or "invasion," and at the time Japan and Germany did not think that the incident even merited the invocation of the Kellogg Pact. The Russians are too intent on their internal problems and too dependent on peace to be able to threaten true military aggression or actually to undertake it. Moscow must avoid war at all costs. It has few friends in Europe. No wars can be localized nowadays. And the participation of the Soviet Union in any war might give its enemies the opportunity some of them still sigh for.

The Soviets can transfer their transit trade from Estonia to Latvia or *vice versa* in order to press their will on their small neighbors. In the Ruhr crisis, the passive threat of moving the Red Army—which might be taken less seriously today—paralyzed Polish action against Germany. In the East, Russia's policy towards nationalities and her social reforms produce a bond with the broad masses which reactionaries have been unable to sever. Lithuania appreciates Soviet non-recognition of Polish rule in Vilna. Rumania sits uneasily in Bessarabia and the Balkans as long as Moscow refuses to sanction the occupation of Bessarabia. Germany wants Russian trade, and realizes that friendship with Moscow strengthens her hand against the Western powers. "The stronger our Russian partner," a German ambassador said to me, "the better we like it."

These factors, and the trade which stimulates a more benevolent attitude in some American, British, and other business spheres but cannot seriously affect diplomatic policy, complete the list of chief influences which may fortify the Soviet Union's foreign political position.

Moscow could radically improve its foreign relations by recognizing the debts of Tsarist Russia, and also by restoring the nationalized property of foreign private owners or paying compensation for it. Many foreign plants in Russia have been re-equipped and modernized.

Possession over a period of years becomes a habit, and since the Bolsheviks regard nationalization and confiscation as conforming with revolutionary ethics, the situation is prejudiced against restitution. Not a few of the units are working at a profit, and it would be difficult for the government to justify restitution in the eyes of the workers and of the engineers who naturally develop a kind of local patriotism for their enterprises.

Compensation presents fewer difficulties, but is no more desirable to the Soviets, who will pay it only if they must and then with no enthusiasm. At the Genoa and the Hague conferences, foreign capitalists could have won compensation from the Soviet government. But as years go by without agreement, the inclination to compensate grows weaker. The easiest way of compensating is thru concessions, which are themselves complicated, and sometimes unattractive. It seems altogether unlikely now that Moscow will pay cash compensation without simultaneously receiving large credits or a loan. Russia's obligation under the Rapallo Treaty of 1922 to grant Germany most-favored-nation treatment has always served as a stumbling-block to a Soviet settlement with other nations, while one agreement with any company of any country might become a precedent to plague all future negotiations. Today no signs are visible of any important change in Moscow's policy in this matter. Sir Henry Deterding's renunciation, for all practical purposes, of his insistence on compensation or restitution before doing business with the Soviet Naphtha Trust will make the Bolsheviks think that time may erase more claims. They still reject Urquhart's application for a concession to some of his former Siberian holdings on the ground that it is entwined with demands for partial compensation.

The other problem is the debts of the Soviet government's predecessors. The Bolsheviks first repudiated those debts, then offered to recognize and pay them, then

only to pay them. At least since 1922, Moscow's avowed and frequently repeated policy has been the payment of pre-war debts provided the creditor nation grants it a loan from the proceeds of which the Soviet Union would be in a position to fund Tsarist financial obligations. This policy was the basis of the treaty of August, 1924, which England repudiated after it had been signed, and of the preliminary agreements with France in 1926 and 1927 which Poincaré rejected. It was the principle which guided Rakovsky and Sokolnikov in their conversations with the National City Bank of New York in 1927. It is the line Moscow would probably take in future negotiations with public or private creditors. For political and practical reasons, the Bolsheviki can scarcely deviate from it.

In a financial sense, the Bolsheviki are "stewing in their juice." Alone of European countries, Russia has received no loan from foreign banks or foreign governments since the World War. She has raised billions of rubles at home for reconstruction and now for construction purposes. The necessity of living on her own resources has been a trial which toughened the fibre and raised the self-confidence of the régime. Yet as foreign trade grows the added cost of expensive credits begins to mount high. It is doubtful, to be sure, whether a debt settlement with the chief pre-war creditors would solve this problem, for the difficulty of obtaining a Soviet guaranty for a loan or political prerogatives in Russia to safeguard a loan would remain. Political and class enmity would also remain. Nevertheless, Soviet business men have seriously considered the advisability of quickly reaching debt settlements in order to break embargo now imposed by foreign banks.

In all these matters, the Soviet government will be ruled by expediency and its own interests. If the need for foreign capital becomes overwhelming, the Bolsheviki may conceivably compromise. If their economic situa-

tion improves progressively, and if, slowly, they reach helpful arrangements with powerful foreign business concerns, there will be little change. America is the world lender. Industrial overproduction in the United States drives surplus money into speculation and foreign investments. President Hoover and American business men are beginning to stress the need of exports almost as much as England has done for generations, and Russia may be an indirect beneficiary of this significant circumstance.

The temporary eclipse of Russia as a dominant factor in international affairs, however, must not create an impression of Soviet insignificance. The Soviet Union comprises one-sixth of the earth's dry surface. It boasts a virile population of about 150,000,000. In natural treasures, it is the world's richest country. The Bolsheviki are a powerful group with a will to build and succeed and re-mold. They are determined to modernize Russia, fortify her economically, and make her industrially outstanding. Such a nation cannot be ignored in world councils. Moscow, in fact, is not ignored. It gets more attention than the Russians relish.

Nor can the revolution as such be ignored. Philip Kerr, writing in the conservative London *Observer* of September 22, 1929, lists three ruling influences in modern times. The first two are scientific invention and nationalism. "The third fact in the modern world," he writes, "is that the disciples of Karl Marx have succeeded in creating and maintaining for twelve years a state of 150,000,000 people on a Communist basis, and that there are no signs of an impending dissolution of the Soviet state; . . . something has happened in Russia which is going to have just as much effect on the world in the long run as the French revolution a century and a quarter ago. For Russia has dethroned usury from the altar on which it now stands in Western civilization, has rendered it almost impossible for anyone to live, or at least live

comfortably, except by the fruit of his own work, and has made the huge engine of economic production and distribution function for the general good and not for private profit."

From the standpoint of cooperation between the United States and Soviet Russia, the Chinese Eastern Railway episode in 1929 proved a retarding influence, and the United States government is reported to feel strongly anti-Russian at the moment. If the efficacy of the Kellogg Pact in future controversies was damaged by its first baptism of action in this case, it is only natural that the Bolsheviks be blamed. But time will show how long Washington's sensitiveness to criticism can hold out against the pressure of a growing American trade with the Bolsheviks. Generally speaking, the lack of American-Soviet diplomatic relations is due to the absence of any great demand for it rather than to the presence of any strong opposition to it.

A government so different, and so distasteful to capitalist powers as the Soviet government cannot expect to achieve outstanding success in its foreign relations. Sometimes naive communists marvel that Moscow has any foreign relations at all. If bourgeois nations were united among themselves, and if they attached less importance than they do to material gain and more to principles, the Bolsheviks would probably be as isolated today as they were in 1919 when all the world combined to oppose them. The fundamental friction between non-communist states prevents their combination against a communist state. Moscow seldom divides its enemies. They are divided by natural causes. But Moscow encourages, and thrives on, their fratricidal conflicts, and sits back in safety and generally in inactivity, thinking how sad it might be if the others could reach an agreement.

RUSSIAN TRADE AND BUSINESS MORALITY³⁸

Russian-American trade and political relations are no less a problem as a result of developments in the past fiscal year than they were two or three or even ten years ago. The understanding that summer senatorial investigators will move this fall for formal recognition of the Soviet government again brings this problem to the realm of practical policies. There is something to be said in favor of recognition. Russian trade and Russian policies are realities which must be faced, and it is a question whether we can get along better with the Muscovites as friends or enemies.

Just at present the commercial and financial world in the United States—perhaps the political world as well—is struck with a realization that Soviet Russia stands forth as the only country in Europe except the Irish Free State, and, excepting Mexico, the only country of any prominence in the world whose imports from the United States in the first six months of the current calendar year have shown any increase over those of the previous year. The increase in exports of the United States to Russia was material; it amounted to over 150 per cent in comparative volumes, and in value the increase was from \$30,874,591 to \$73,231,945. American exports to European Russia in the fiscal year ending June 30, last, reached a value of \$123,905,114. The value of such exports in the calendar year 1929 was \$81,547,760; in 1928, \$72,503,956; and in 1927 \$64,086,677.

CHARACTER OF TRADE HAS CHANGED

Moreover, the character of American exports to Russia has completely changed in the past four years. Of the exports in 1927 \$39,225,554, or 61 per cent, were of raw cotton; in 1928 the exports of raw cotton were

³⁸ From article by George E. Anderson. *Barron's*. November 3, 1930. p. 24-5.

valued at \$44,536,918, or almost exactly the same proportion. In 1929 the value of the cotton exported was \$29,492,530, or a little over 36 per cent. In the first six months of the current fiscal year the value of cotton shipments from the United States to the Soviets was only \$1,423,218, or about 2 per cent. On the other hand, shipments of industrial equipment have increased in the last two fiscal years by almost 200 per cent; electrical-power equipment by over 400 per cent; automobiles and similar manufactures by nearly 100 per cent; and tractors by about 400 per cent.

To the United States, Russia's "five-year program" means a loss in the sale of raw materials but a tremendous gain in the sale of highly manufactured goods. Much has been said of late of the increase in the sale of American tractors in Russia. Shipments of wheeled tractors from the United States to Russia in the first half of the current calendar year were valued at \$16,451,065, as compared with \$4,200,152 in the same period of the previous year, while shipments of track-laying tractors increased from \$106,193 to \$4,717,710 in the same period. The total tractor exports in the first six months of 1929 were valued at \$4,306,345; in 1930 they were valued at \$21,168,775. The record in many lines of industrial equipment is even better.

CONSTANTLY INCREASING TRADE

American imports from Russia have not been commensurate with trade in the other direction, but they, too, have been increasing. Imports from European Russia in 1927 were valued at \$12,139,251; in 1928, at \$13,949,009; in 1929, at \$21,519,984; and in the first half of the current year, at \$11,211,121, as compared with \$10,394,962 in the same period of 1929. All the above statistics are American returns. The purchases and sales of the Amtorg and other Russian trading agencies in this country cover the Russian fiscal year from October 1 to

September 30. They show Russian purchases in the United States in the year ending October 1, 1928, at a value of \$91,231,048 and for the year ending last October at \$107,651,115; and American purchases at \$22,306,529 and \$40,749,045, respectively. Russian records show that Russian imports from Germany in 1927-28 amounted to \$102,714,160, decreasing in the following year to \$100,130,000, while Russian exports to Germany amounted to \$111,668,200 in 1927-28 and increased in the following year to \$138,942,000. Great Britain's exports to Russia amounted to \$24,443,500 in 1927-28 and decreased to \$22,817,364 in 1928-29, while Russia's exports to Great Britain amounted to \$77,601,680 in 1927-28 and in 1928-29 had increased to \$99,060,500. Germany's trade relations with Russia as its nearest industrial neighbor can readily be understood. The relations of Great Britain, as one of Russia's chief customers, are not so readily understood.

In view of the special nature of Russia's imports from the United States, particularly in the matter of certain classes of industrial machinery, it can hardly be said that the increase in American exports to Russia was at the expense of Germany and Great Britain, but it is evident that it was not in line with any particular trend in Russian import trade as a whole. It represented a demand in Russia for rather special American products. Probably a considerable quantity of American goods go to Russia by way of other countries. In the half-year ending March 31, 1930, Russian figures indicate that total Russian imports had increased from the equivalent of \$195,342,160 in the same period of the previous year to \$269,650,400, a gain of \$74,308,000. According to American figures, about \$44,000,000 of this increase was in imports from the United States. In spite of world business depression there is nothing to indicate a break in this increasing Russian-American trade. Contracts for more American machinery, more American tractors, more

factory and power station equipment have already been made. On the other hand, shipments of Russian manganese and paper pulp to the United States have been such as to lead to objection on the part of American concerns interested in supplies of such products from other sources.

TRADE WITHOUT GOVERNMENT SANCTION

An increase of \$40,000,000 in export trade in six months, most of the proceeds of which go into the pockets of American workmen at a time when all other trade is declining, is no small matter. If the second party to the arrangement were any other nation than Russia, American exporters would be "tickled pink" over the accomplishment. In all trade relations with Russia, however, there is an ever-present question mark. First of all, there is the question of the political relations of the United States involved in the matter of the formal recognition of the Russian government by the government in Washington.

And with this arching of the political eyebrows is coupled the matter of credits. All present exports from the United States to Russia are made on the basis of purely private responsibility and risk in that there is back of them no assurance that American exporters will have the support of the usual international machinery for the enforcement of contracts or the collection of debts due them. It seldom happens in international trade that there is occasion for the use of such governmental machinery. The vast mass of international dealings proceeds with no more thot of legal or diplomatic support than is given to the support of courts and legal machinery for ordinary commercial transactions within the United States itself. Nevertheless, the absence of any such sanction in transactions between the United States and Russia raises the general question of the reliability of Russian-American commercial relations. Ordinary commercial credit,

ordinary good faith with governmental or other sanction far in the background, are the basic considerations in all such dealings. But so long as governmental sanction to trade with Russia is lacking there is a natural question as to how far Russian commercial integrity can be trusted.

RECOGNITION AND CREDITS

This general feeling of insecurity, of doubt and hesitancy, is increased by the attitude of the Russian government in its dealings with the rest of the world. The issue of the political recognition of the Soviet government by the government in Washington rests upon this very attitude. The position of the Administration in Washington in the matter is no different from that indicated by Charles E. Hughes, when Secretary of State, years ago. The United States is prepared to recognize the Soviet government politically when the Soviet government acknowledges and assumes the honest debts of the Russian government and ceases its course of communistic propaganda designed to subvert this and all other foreign governments.

The issue is chiefly moral. The amount of money due Americans on account of the old Russian debt is not so great that the loss could not cheerfully be assumed if such a course were necessary in the interest of international comity; nor would the risk of Russian propaganda in the United States in case of a resumption of diplomatic relations between the two countries be so great as to endanger American institutions, however annoying and troublesome such propaganda might be, provided Russia showed good faith in the matter. This is exactly what Russia has failed to do. It quite willingly has promised not to carry on propaganda in the country, but in all cases where diplomatic relations between Russia and other countries have been resumed its promises have been worthless. The Soviets absolutely refuse to assume the debts of the governmental régime they have

supplanted, basing their refusal upon what they term principle, but there have been underground proposals that they will pay the debts by a juggling of commercial transactions. That the Russian Soviet government cannot be trusted in such affairs is amply demonstrated by the repudiation of the Lena Goldfields award made unanimously by a British-Russian arbitration tribunal in London within the past few weeks. Had the award gone in favor of Russia, doubtless the Soviets would have blandly accepted it. Since the award went against Russia, the competency of the tribunal, in the organization of which Russia cooperated, is denied. The whole issue is moral rather than political or commercial. Since in the final analysis commercial dealings rest upon moral considerations, the insecurity of American dealings with Russia is evident.

ATTITUDE TOWARD UNITED STATES

The whole of the large and increasing trade of American exporters in Russia has been built up in the face of this lack of moral sanction. Consequently, Russia has been hampered in making its purchases in the United States by reason of a lack of credit, and American exporters have been compelled to require considerable cash payments on goods and to suit deliveries to further payments on such a scale as to reduce commercial risks to a minimum—in most cases reducing the actual risk to little if any more than a loss of profits involved. That Russia has met the payments due is accepted by those concerned less as an indication that the Soviet government is willing to pay its debts than a recognition of the fact that unless such payments are made the Russian government will be unable to make such further purchases in the United States as its present program of industrial and agricultural development requires.

Russian purchases in the United States have been made in no spirit of particular friendliness toward the United States. The United States has not been favored in this matter over other nations because of Russian love for American institutions. They have been made for the simple reason that the United States is in a position to furnish the Soviet government with what it needs in its five-year program. If and when that advantage ceases, the trade will go elsewhere or cease. The prompt elimination of Russia's heavy purchases of American cotton during the past three years illustrates the situation exactly. Nevertheless, American exports to Russia under normal circumstances would remain large, and perhaps largely increase.

Tho a large proportion of the present American exports to Russia is of machinery and other industrial equipment designed to develop Russian agricultural and industrial production to a point where they are more or less independent of foreign supplies, it must be realized that any such development entails further development industrially and commercially which will call for further supplies of a constantly increasing complexity and industrial advancement. There is no question that American exports to Russia could be immensely increased at the present time if credits could be extended. It is generally assumed that recognition of the Soviet government by the Administration in Washington would facilitate such credits, particularly in that it might possibly lead to a bond issue to cover further purchases in this country. But would it?

RECOGNITION A SECONDARY MATTER

The fact is that political recognition of the Russian government is a matter entirely subordinate to the broader question of Russian business morality. Russian recognition in Washington would certainly afford very slight encouragement for the sale of Russian bonds in the United States so long as the Russian government

refuses to accept the validity of the old Russian debt and follows such a course in its international obligations as that indicated in the Lena Goldfields arbitration. It is not a question of ability on the part of the Soviets but a matter of intent. Nearly three years ago, M. Stalin stated that the Russian government would refuse to accept the principle of debt recognition, but was willing to arrange a settlement of the debt by making payments upon it in the way of supplementary interest upon a bond issue or other loan. There has been no encouragement for such a scheme for the simple reason that it does not settle the real issue, that of commercial integrity and the safety of future dealings with the Soviet government. Nations dealing with Russia might forgive all that is past if there were any assurance that past sins would not be repeated when opportunity and apparent interest suggest the repetition.

In the meanwhile credits of any moment are impossible. The measure of Russia's standing in the international commercial world is indicated by the impossibility during the past year of securing discounts on Russian bills except at rates running as high as 30 per cent for a 90-day obligation. In the long run it is Russia which pays this discount, and it is evident that the Soviet government could well afford to pay considerable "supplementary interest" for a loan to avoid the results of its debt-dodging policy. So long as the policy of the Russian government is debt-dodging in principle, however, the present discrimination against Russian paper will continue; nor is it likely that any hocus pocus in international commercial bookkeeping will ever be accepted as a satisfactory settlement of the issue. There is no short cut or side entrance to commercial integrity.

CONCLUSION

Probably there is no other instance in history where the moral factor in international relations has entered into the practical determination of business and political

policies to the extent it enters into the relations of the United States and Russia at the present time. However attractive future trade of the United States with Russia may appear, there is a limit beyond which commerce for its self-protection cannot go, and present Russian policies are keeping the Russian nation beyond that limit. Even a complete reversal of Russian policies in the immediate future would fail thoroly to convince the commercial and political world that Russian political assurances and its commercial obligations are to be taken at face value. Whatever the world may think of Russian political theories or however it may regard the great experiment in government now going on in eastern Europe, it is not likely to accept Russian professions as reliable until there is a return in that country to the basic principles upon which international intercourse, political and commercial, is founded.

AFFIRMATIVE DISCUSSION

AN AMERICAN POLICY TOWARD RUSSIA¹

If there is one conclusion upon which it would seem that all groups of opinion about Russia must agree, it is that the United States has had no consistent policy toward the Soviet Union, and that such a policy is desirable. Our diplomatic attitude of nonrecognition is not in fact compatible with the economic recognition extended in commerce and industry. Nor are the embargoes and threats of further political interference with commerce harmonious with the effort to trade. If the Union of Socialist Soviet Republics is to be effectually outlawed, the anti-Soviet propagandists are quite correct that it must be outlawed economically as well as politically and culturally. If it is not to be outlawed, then the only sensible course is vigorously to seek adjustment of the political difficulties, at least in so far as they hamper normal commercial intercourse. So far, our various conflicting actions with regard to Russia have appeared to be built on trivial, prejudiced, misinformed, or partial grounds rather than upon any broad and rational policy.

In discussing a subject concerning which magnificent flights of the imagination are prevalent, it is important first to get the prosaic facts straight with regard to commerce. Is it, or is it not, to the economic advantage of the people of the United States to trade with the Soviet Union? Is it to our advantage that Soviet Russia should be allowed to trade with the rest of the world? If these questions were settled in the affirmative, we might conceivably decide that she should be outlawed

¹ From an article by George Soule, an editor of the *New Republic*, New York City. *Annals of the American Academy of Political and Social Science*. 156:76-83. July, 1931.

even at a sacrifice to ourselves; but the economic and the political arguments are usually so confusingly intertwined that it is well to take them one at a time.

TRADE RELATIONS WITH RUSSIA

In the year 1930, the exports from the United States to the Soviet Union were valued by the Department of Commerce at \$114,500,000, or 3 per cent of our total exports for the year. Our imports from the Soviet Union were valued at \$24,000,000, or 0.8 per cent of our total imports. We are sending to Russia a larger proportion of our exports than we did before the war, and are importing a smaller percentage of our total from her. Clearly, the figures show that, so far at least, Russian trade can neither be credited for prosperity in the United States nor blamed for depression here. Its amount is not large enough in relation to the bulk of our foreign business to warrant such credit or blame.

More significant is the fact that during 1930 our exports to the Soviet Union increased 35 per cent, while our total exports declined 27 per cent. No other important nation enlarged its purchases here during the depression. So far as the effect of Russian buying has been felt, therefore, it has been a stabilizing influence. Furthermore, the rapid increase, if it is continued, will before long make the Soviet Union a far more important customer than it is at present. According to the latest reports (those for February) exports to Russia have passed those to all other nations except the United Kingdom and Canada.

What do we sell to the Soviet Union, and what do we buy from her? We sell mainly tractors, agricultural implements, machinery of many kinds, electrical equipment, iron, steel, and other metals, besides invisible exports such as engineering services. In spite of the relatively small bulk of Russian purchases in our total exports, they furnish a substantial market for these com-

modities. I suppose no one would argue that we are being injured, in a material sense, by this business.

Our imports from the Soviet Union consist mainly of raw or semi-manufactured materials. In the order of their importance they were, for the year ending September 30, 1930, according to the figures of the Amtorg Trading Corporation, undressed furs, anthracite coal, manganese ore, sausage casings, pulpwood, lumber, rags for paper stock, flax, caviar, fish, licorice root, and bristles. These comprise 96 per cent of our Russian imports.

Surely nobody is alarmed about the competition of Russian sables, foxes, or ermine, nor will our industries be ruined by imports of caviar or licorice root. The cries of anguish have come chiefly from producers of anthracite coal, manganese ore, pulpwood, and lumber.

The main facts about the anthracite imports from Russia are, briefly, that in 1930 they constituted about one-quarter of the total anthracite imported into this country, and less than one seventh of 1 per cent of the total American anthracite production. The prices paid for Russian anthracite were somewhat higher than those paid for the domestic product, the Russian coal being reputed to be of better quality. If the American anthracite monopoly, which for so many years held the householder at its mercy, cannot now withstand the importation of less than 200,000 tons of coal from the Donetz Basin, it must be in a bad way. Of course, such competition is really too trivial to deserve a moment's consideration, whether as producers we fear it or as consumers we welcome it.

SOVIET COMPETITION

American manganese producers really do have to meet Soviet competition. Russia has long been one of the chief sources of high-grade manganese, having supplied a little under half of the world's requirements

before the war. American production before the war furnished not more than 2 per cent of our needs. During the war, the Russian and other shipments were practically cut off, and by 1918 the American producers, under pressure, furnished 38 per cent of our supply. Then imports from other sources began to bulk large. The domestic industry maintained a much larger output than in the pre-war decade, but still was unable to keep anything like its emergency volume, even before Russia came back into the market in 1922. Russian imports have grown until they now supply about the same share of the demand as in prewar days. It is difficult to imagine that anything else would have happened if Russia had remained under a capitalist economy. American steel manufacturers buy manganese from Russia, just as they buy it from Brazil, British India, and the Gold Coast, because they need the material and find the qualities and the prices satisfactory.

The imports of lumber and pulpwood furnish another instance of a country with inadequate and dwindling natural resources buying from a country where these resources are plentiful. We are cutting our forests about four times as rapidly as we are growing them. We have begun to note a deficiency, especially in spruce. We import large quantities from Canada; 95 per cent of our lumber imports originate there. About 3 per cent of our lumber imports come from Russia, and almost all of this is spruce.

Pulpwood is so much in demand for our great output of paper, and we have already denuded so large an area of our formerly wooded hills in order to turn out Sunday comics, that we now must import considerably over half our pulpwood. Most of this comes from Canada, and a minor part from Russia and other countries.

In spite of the fact that we have been called a nation of economic illiterates, it is scarcely credible that even the opponents of commercial relations with Russia do not

understand the ABC of foreign trade. Of course, we cannot sell if we do not buy, and we cannot buy if we do not sell. Tho this truth may be more difficult to grasp in the ordinary case, it would seem as if the most doltish of students in the economic kindergarten must understand it in the case of trade with the Soviet Union, since the Soviet government cannot finance her purchases by long-term borrowing. Her foreign trade is almost literally a process of barter. The question is whether we should refuse to accept materials which are useful to us, or of which we do not have enough, at the expense of losing markets of the products of domestic industries which are more efficient and which can produce an excess over the domestic demand. Should we, at high cost, strip our forests even more rapidly than we do, and consume our deposits of manganese more quickly?

Indeed, from the point of view of the national economy, our chief concern ought to be with the fact that the imports of useful goods from Russia are not greater than they are. For, as Wesley Clair Mitchell has written in *Recent Economic Changes*: "If we grant that the real goal of economic effort is to secure goods for meeting human wants, it follows that a country's gains from international trade consist of its imports. Exports represent costs—prices paid for the goods desired." An ideal basis for international trade is to pay in exports which we make more cheaply and abundantly than does our foreign customer, for imports which we make less cheaply and abundantly. This appears to be precisely the case in our trade relations with Russia; the difficulty is that the exchange is not on a larger and more even scale.

Of course the story is not complete unless we include Russian exports which do not enter the United States in appreciable quantities, but compete with our exports in other parts of the world. Wheat is the outstanding example. An attempt was made not long ago to convince

the American farmers that dumping of Russian wheat is responsible for their sufferings. What are the facts? According to all reliable statistics, Russian wheat exports are not yet as large as they were before the war. The Russian crop of 1930 was almost exactly the same as that of 1913, and more of it was consumed at home. The postwar surplus of wheat which has reduced prices was not created in Russia, but in the rest of the world, which, according to the United States Department of Agriculture, produced in 1928 27 per cent more wheat than in 1913. Why blame Russia for expanding production when we have already expanded it enormously and can, under our system, find no way to restrict it? If we succeeded in getting Russia to do what we cannot do ourselves, and persuaded her to withdraw her wheat from the world market altogether, our basic agricultural problem would be no nearer a solution.

PREDICTION REGARDING RUSSIA

The present facts being what they are, it is not surprising that the opponents of trade with Russia lay so much emphasis on fears, accusations, and predictions. Prediction regarding the Soviet Union is dangerous, as may be seen from the statement issued on March 21, 1921, by the Secretary of Commerce in the administration of President Harding. This distinguished Secretary of Commerce said:

The question of trade with Russia is far more a political question than an economic one so long as Russia is in control of the Bolsheviki. Under their economic system, no matter how much they moderate it in name, there can be no real return to production in Russia, and therefore Russia will have no considerable commodities to export and, consequently, no great ability to obtain imports.

We are now being told that exactly the opposite is the case. Russia, instead of being an economic vacuum, is supposed to be an economic high-pressure tank, ready to shoot endless streams of goods in all directions, while

accepting nothing in return. It is assumed not only that the Five-Year Plan will be wholly successful, but that Russia will be able to build up a machinery of production so powerful that it will dump upon the world a flood of goods, manufactured as well as unmanufactured, sufficient to ruin industry and agriculture in all other nations. These goods, we are informed, will be sold at ruinously low prices, and the ability to sell them cheaply will be maintained at the expense of an impoverished and enslaved working population, kept subservient by a cruel and self-seeking dictatorship.

Let us suppose for a moment that this prediction were to come true. Let us suppose that a nation of slaves was kept busy solely in order to bestow upon the rest of the world an enormous amount of goods sold for very low prices—or, to carry the supposition to its logical and absurd extreme, given away. We should then all become the beneficiaries of the supposed Soviet mania to produce without consuming. We should have all the food we wanted to eat, all the clothing we wanted to wear, all the houses to live in, all the cars to ride about in, without having to pay anything for them in the form of exports to Russia. We should be sustained in idleness, at a luxurious scale of living, as the pensioners of the Soviet system. If Russia did not actually give away her exports, she would have to lend us the money wherewith to buy them—since she would be accepting no goods or services in return—and she could not expect any repayment of the money. All the world except Russia would consist of idle rich. This prospect hardly seems to constitute a menace.

While the extreme supposition is of course absurd, it is important in that it demonstrates a valid truth—that in so far as Russia may throw cheap goods on world markets at her own expense, she will by that much subsidize the rest of us.

THE SOVIET AIM

I fear, however, that no such good luck awaits the non-Russian world. We have had many reliable reports on the Soviet performance and intentions, and while the reputable students differ on matters of detail, they present a remarkably consistent picture in general. The chief economic aim of Communism is to raise the standard of living of the masses. This aim it seeks by a thoroly planned and controlled economy. In Russia, the plan was adapted to the special necessities of the country. The nation had been mainly agricultural. While the beginnings of mechanical industry were present before the war, they were not sufficient to supply the population with anything like a high standard of living. Indeed, even the peasants themselves did not consume enough of the food which they raised. Exports of foodstuffs, necessary to pay for the limited imports of manufactured goods, were made, under the old régime, at the cost of the mass of the peasants.

The Soviet economic plan is therefore twofold. It is, first, to construct at top speed a modern industrial plant which shall ultimately be capable of supplying the peasants and the city workers with as high a standard of living as possible. And, of equal importance, it is also to develop a greatly enlarged agricultural production, so that domestic food supplies may be adequate.

Foreign trade is, under the Soviet plan, incidental to the building of this national economy. But, for the time being, it is a highly important incident. The rapid building of an immense industrial plant and the enlargement of agricultural output both require the importation of large quantities of machinery and materials which Russia is not yet in a position to supply for herself. How can she pay for these urgent necessities? Not by borrowed money, because she cannot borrow except for short periods to facilitate the actual turnover of trade. She can pay only by exporting goods of which she has

a surplus by means of heroic efforts and self-imposed privation.

Since the Soviet Union must pay for her imports with the sale of her exports, it is clearly to her advantage to get as much for them as possible. She must, of course, compete in world markets, and must balance the yield of a large volume of sales against the yield of high prices, just as any competitive producer must do so. But to suppose that she is deliberately charging low prices in order to ruin the industries of other nations, when she might sell at higher prices, appears palpably absurd. It is also absurd to suppose that she is directing, or will direct, her previous labor energy to the making of goods for export instead of to the making of goods for domestic consumption, any more than she is compelled to do so in order to buy what is needed to build up her productive system.

It must be remembered that Soviet industry does not have the incentive for dumping which capitalistic industry has. Dumping is usually undertaken for the sake of getting a surplus off the domestic market so as to maintain prices at home. It is basically a restriction of domestic supply in the interest of private profit. Any loss sustained by the dumping concern or industry on foreign sales is more than compensated by the gain from high prices at home. But Soviet industry, not being primarily interested in profit, but rather in supplying goods as bountifully and cheaply as possible to the domestic population, does not object if domestic prices fall and domestic consumption is thereby enlarged. If it takes goods out of the domestic market to sell abroad, it does so only in order that other goods, for which it has a greater need, may be brought in.

It is true that at present the Russian population is enduring some privation in order to buy abroad the machinery upon which future production is to be based. The Russian standard of living is nevertheless, even now,

reliably reported to be not below that which existed before the war, and even somewhat above it in many respects. We could, if we wished to do so, render it unnecessary for her to export as much as she does, by arranging long-term loans to finance her purchases here. But we should eventually have to finance repayment of the loans in goods or services. This is the usual process in the development of backward industrial nations on a capitalistic basis.

IF RUSSIA SUCCEEDS

If the Five-Year Plan fails, Russia will not be in a position either to sell or to buy. If it succeeds, or meets with qualified success, another five-year plan will follow, and still another and another. Soviet industry, by its very nature, cannot exist without a plan. At the end of each stage of development, granting continued success, the domestic population will be sustained at a higher standard of living than before. It will take two or more five-year plans in succession to bring the average Russian standard of living up to that which existed in the United States before the depression. The present outlook is, therefore, that for many years to come, Russia will constitute a market for our machinery and perhaps for other manufactured products as well, provided we are willing to accept her raw materials in return.

The danger to us in the eventual outcome is not that Soviet Russia's foreign trade will be unduly enlarged, but that it will unduly contract. Faced by a world which is either actually or potentially hostile, she is being forced to plan for an ultimately self-contained economy, depending very little either on imports or on exports. If she achieves the capacity for a progressive increase in her standard of living without foreign assistance, we may conceivably find her sitting securely behind the walls of her system, sustaining her population at a higher

level than we do our own, and refusing either to buy from us or to sell to us. If we should go hat in hand, asking for some badly heeded manganese or timber, she might smile and say: "Why should I let you have it? I do not need anything that you can give me in exchange, and it does not suit my purpose to let you be in debt to me."

One of the greatest treasuries of natural riches in the world may be locked up for the Russian people only. And the fault will be our own. Instead of having planned for a rational interchange of goods in a world economy of which Russia is admitted as an equal member, we shall have thrust Russia away in her corner—which happens to be the largest in area and potentially the most valuable under the control of any single national government.

Tho any reasonable examination must lead to the conclusion that it is to our economic advantage to encourage trade with Russia, it is argued that on political or moral grounds we ought not to do so. The immediate political charge is that her exports are, in part or wholly, the product of convict or at least of forced labor. This charge has been denied by impartial observers as well as by spokesmen of the Soviet government. What are the facts? We cannot know by sitting here and reading dispatches from Riga or London. If a similar dispute arose in regard to imports from any country with which we maintain ordinary diplomatic intercourse, the way would immediately be opened thru negotiation for authoritative inquiry into and decision of the issue. Does any one doubt that the same course would be pursued in this case if our national policy were to encourage trade relations?

COMMUNISTIC PROPAGANDA

But the major charge is that the Soviet government is building up a system of which we cannot approve, that the communists are seeking to extend their influence thru-

out the world, including the United States, by propaganda, and that they aim at the overthrow of our own government. We must cease altogether, it is argued, to give them the economic support of our own trade, so that we may hamper their success at home and abroad, even if we must do so at some present sacrifice to ourselves.

Let us admit at once that the Communists are carrying on an active propaganda against the capitalist governments of the world, just as an active propaganda against their own system is being waged by their opponents in this and other countries. It is difficult to say which of these propagandas is the more mendacious or one-sided. But I think we must agree that both systems will in the end stand or fall by the test of experience rather than by what is said about them by their more bitter partisans.

Will the Soviet system succeed eventually in offering adequate satisfactions to the population at large? Will it meet the needs of a modern industrialized society? If it does, it will continue to exist. We shall form our opinion of its merits from what it actually does and is. Neither vociferous propaganda nor an attempt to shut off propaganda will prevent us from being interested in and finding out about what is going on in an area occupying so large a part of the earth's surface and sustaining one hundred and sixty million persons. We do not need to be afraid of propaganda unless we deserve to be afraid of it. If the Soviet system turns out to be better, we need have no fear of the agitation in its behalf. And if it is to fail, it is certainly far better that it should fail because of inherent weaknesses than because its foreign enemies prevent it from succeeding.

Personally, I do not believe that either the Russian system or ours is, in the present stage of development, the final word in economic and social organization. The Soviet system certainly has many faults. And just as certainly, ours cannot be held to be final, when with such magnificent capacity to produce the necessities and luxur-

ies of life, we suffer a long depression characterized by under consumption, wherein hardships all thru the population culminate in the 'plight of over six million able-bodied men and women who have to be supported by charity because there are no jobs for them.

Soviet Russia is condemned because it is ruled by a dictatorship. But we also have our dictatorship, which is perhaps equally cruel and certainly is more blind. I refer to the dictatorship of planlessness—the dictatorship of uncontrolled chance—which, without anybody willing it so, plunges us from prosperity to poverty. We mourn the fate of the Kulaks dispossessed of their land in Russia, forgetting that our dictatorship of competitive private enterprise has recently, in a space of less than five years forced over 250,000 farmers and their families off the land. We accuse the Soviet government of forcing labor, forgetting that here millions, in spite of their ardent desire for work, are compelled to be idle.

RECOGNITION OF THE EXPERIMENT

The project of creating some kind of rationally planned economy is an urgent one in this age for all nations, for all sections of the human race. Soviet Russia, in spite of its obvious faults, offers the first experiment the world has ever seen in economic planning on a national scale for peace-time purposes. It furnishes at once a laboratory and a stimulus which may be of inestimable value to the rest of us in tackling the job of planning in our own way.

Certainly no sensible person can be worrying about the imminence of any revolution in the United States. But if we are eventually to avoid the revolution in this country which the Communists foresee, the way may very well be, not to drift into further chaos and misery while pretending that our system is perfect and employing energy to block the progress of the experiment in Russia, but rather to learn whether we can improve and alter

our own civilization by peaceable and rational means. An intelligent and broad-minded American policy toward Russia would be based partly on the recognition of the historical value of the Russian experiment (how far a negative value and how far a positive value remains to be seen) as a light upon the social and economic problems which we are certainly facing in this country.

Once our steps were turned toward cooperation and enlargement of trade, legalistic, political, and technical obstacles could be cleared out of the way. These do not furnish reasons, but excuses for nonintercourse. We say they are insurmountable only because we have not officially wanted them to be surmounted. The truth is that the official policy of nonintercourse originated at a time when it was that the Soviet government and economy were inherently so weak that they would soon disappear in favor of another régime. Passing years have proved this opinion sadly mistaken. It is time to execute a right-about-face and deal with the reality which exists. We certainly shall not abolish it by ignoring it.

THE SOVIET UNION: THE QUESTION OF RECOGNITION¹

Ten years ago in August the United States government established its present policy toward Soviet Russia. In the period that has since elapsed Russia has put down the last of the counter-revolutions, restored peace with the foreign countries, entered into diplomatic relations with the great European and Asiatic powers and begun to reconstruct her economic life along American mass-production lines. American statesmen termed Russia an economic vacuum and lectured the Soviets on the proper system of economics, only to see our advice ignored and our sales to the Muscovites make Russia

¹ From an anonymous article in *Current History*. 32:1065-72. September, 1930.

during the first part of 1930 our sixth largest foreign market. Time overgrows all treaties and all policies. Altho the pure outlines of our classical capitalistic policy toward Russia are as yet unmarred by the rude impact of unwelcome facts, the bases of this policy are being challenged by Russia's apparent success in establishing and maintaining a collective economic State in the midst of a capitalistic world. The time is now at hand when we can legitimately and without passion review our effort to dispose of bolshevism by absent treatment and with equanimity discuss the diplomatic structure erected by Secretaries Bainbridge Colby and Charles Evans Hughes in the heat and flurry of the post-war period.

Ten years ago the Pilsudski government launched the Polish Armies in a bold invasion of the Ukraine. The campaign was strategically faulty and politically unsound. The result was a serious military reverse for Pilsudski and a diplomatic isolation for Poland, from which that country was rescued only by the military genius of General Weygand and his last-minute defeat of the Red Army at the gates of Warsaw. While this victory freed Poland from the political consequences of her military aggression, the campaign put a definite term upon European efforts to intervene against the Soviets, whether thru direct invasions, thru counter-revolution or thru the border States. A new policy was clearly indicated.

On August 10, 1920, at the height of the Red Army's counter-offensive, when it seemed that only a miracle could save Poland from condign defeat, Bainbridge Colby, third and last Secretary of State in the Wilson régime, addressed a note to the Italian Ambassador who had inquired as to this government's position regarding the Russian-Polish situation. The Colby note laid down an American policy with respect to Russia which has been followed without deviation from that day to the present.

This policy was a refusal to recognize the Bolshevik régime or to countenance any dismemberment of Russia.

The uncompromising American *non possumus* toward recognition has obscured the second phase of the American government's Russian policy. In its reply to the Lithuanian National Council, on October 15, 1919, and in its initial refusal to recognize the Baltic States as separate nations independent of Russia, the American government had already set itself against Russian dismemberment. In its note of March 24, 1920, the State Department had asserted that "no final decision should or can be made without the consent of Russia" in the Near East. Similar scruples had caused us to withhold our approval from the decision of the Supreme Council at Paris, recognizing the independence of Georgia and Azerbaijan. Armenian independence we did recognize, subject, however, to Russian cooperation and agreement with respect to the final determination of its northern boundaries. Subsequently, at the Washington conference of 1921-22, the United States constituted itself diplomatic trustee for the maintenance of Russian rights in the Far Eastern and Pacific area. And it is a fact that the American government has never recognized the Rumanian annexation of Bessarabia, because the Russian government has never accepted this act of spoliation. It is, parenthetically, a curious phenomenon that we should have accepted as valid the Soviet recognition of the Baltic States, while maintaining that the Soviet government did not represent the Russian people, in the name of our friendship for whom we had previously withheld recognition from these States.

The basis of our refusal to accord recognition to the Soviet government was a simple assertion that it was "an incontestable fact" that the Bolsheviks did not rule by the will or consent of any considerable proportion of the Russian people. They had not permitted anything like a popular election—they were engaged in civil and

foreign war at the time, which may explain their curious failure to subscribe to the democratic dogma of which the Czars had been so prominent adherents—and, tho small in number, they had “by force and cunning” seized the powers and machinery of government. In any case, they were not people with whom we could associate: “The existing régime in Russia,” Secretary Colby ruled, “is based upon the negation of every principle of honor and good faith, and every usage and convention underlying the whole structure of international law.” The Russian government, the note continued, would not keep any agreement they entered into; therefore it would be useless to negotiate any agreement with them. (Since then the Soviet Union has successfully negotiated treaties with Great Britain, France, Italy and Germany—to mention only the more important); the Third International aimed at a world revolution; the Soviet diplomatic agencies would be centres of subversive propaganda and intrigue. The note concluded with a plea to act so fairly toward our erring neighbor as to deprive the Bolshevik régime of “its false, but effective, appeal to Russian nationalism,” and thus to hasten the day when the Russian people would see the light and throw off “a social philosophy that degrades them and a tyranny that oppresses them.”

Since that date, only two incidents have occurred to disturb the peaceful absence of official relations between Russia and the United States. The first was the famous Hughes-Chicherin incident of December, 1923. The famine of 1921-1922 had led to a great outpouring of official American charity and the institution of the American Relief Administration in Russia, a characteristically practical Hoover benevolence, which relieved suffering abroad and helped the farmer at home. Better relations were rapidly becoming possible. President Coolidge's message to Congress in December, 1923, suggested the possibility of a friendly adjustment of American-Russian

relations, without loss of principle or interest. Chicherin, Soviet Commissar for Foreign Affairs, promptly responded with a telegram to President Coolidge, proposing negotiations with respect to the compensation due American nationals for their sequestered property and the funding of the Russian war debt due the United States Treasury. Behind the scenes stood the powerful figure of Senator Borah, then, as now, one of the few American statesmen with a friendly interest in the great socialistic experiment launched by the Marxians of Moscow. Secretary of State Charles Evans Hughes interposed and killed the overtures with his drastic statement of December 18, 1923, which was delivered by our consul at Reval to the local Soviet representative. Mr. Hughes asserted that "there would seem to be at this time no reason for negotiations," and went on to say:

If the Soviet authorities are ready to restore the confiscated property of American citizens or make effective compensation, they can do so. If the Soviet authorities are ready to repeal their decree repudiating Russia's obligations to this country, they can do so. It requires no conference or negotiations to accomplish these results which can and should be achieved at Moscow as evidence of good faith. . . . Most serious is the continued propaganda to overthrow the institutions of this country. This government can enter into no negotiations until these efforts directed from Moscow are abandoned.

Time has supplied the best exegesis of this diplomatic bull. Sequestration of American property in Mexico became the subject of long and intricate negotiations between the Mexican and American governments. The war debts of our non-Russian allies were funded only after even longer and more intricate diplomatic negotiations. Propaganda is another story, which will be told in due course. Suffice it that the history of Red scares in the State Department—Mr. Hughes's discovery of a plot to "hoist the Red flag on the White House" and Mr. Kellogg's frustration of the attempt "to interpose a Bolshevik hegemony between the United States and the Panama Canal"—makes most American diplomats pink with embarrassment.

The second flurry in Russian-American relations arose over the Kellogg-Briand pact. Russia was an early and enthusiastic adherent of the pact. Late in 1929, Soviet official opinion, as nervous over the idea of "capitalistic encirclement" as was Washington over Red propaganda, took exception to Secretary Stimson's friendly invocation of the pact as a means of relaxing Russo-Chinese tension in Manchuria. *Pravda* and *Izvestia* resounded with denunciations of our diplomatic duplicity and hypothetical hostility. The discreetly proffered olive branch was again dashed aside, this time by Moscow, when Litvinov, Acting Commissar for Foreign Affairs, tartly sent word to Mr. Stimson to mind his own business. Since then both sides have settled down with an uneasy feeling that somebody blundered.

However, the Communist unemployment demonstrations of March 6, 1930, and the usual May Day agitation revived the spectre of propaganda and led another of those Red scares which appear whenever there is any chance of arousing public interest in the broader aspects of Russo-American relations. This scare was accompanied by an ecclesiastical attempt to make capital out of Russian atheism, but the intercession fell remarkably flat, as responsible Protestant groups deprecated the mischievous and self-righteous character of anti-Russian religious propaganda. Then Police Commissioner Whalen of New York City added to the confusion by producing photostats which implicated the Amtorg Trading Corporation, the official Soviet commercial agency in the United States, in subversive activities. Russians without delay branded the Whalen exhibits as "forgeries," as the supply of forged Russian "documents" is so plentiful and so opportune as automatically to raise doubt as to the authenticity of the most plausible of photostats. Subsequently, a Congressional committee instituted hearings on Communist activities in the United States. However, so much anti-Russian sentiment exists in this country that it is

always popular and often good politics to flaunt the Communist menace from time to time. As is the case with every established governmental policy, powerful vested domestic interests have vividly identified themselves with the policy of non-recognition.

One of these interests is organized labor. Under the successive presidencies of Samuel Gompers and William Green, the American Federation of Labor utilized the employers' dread of communism as a weapon for securing better treatment for labor in the United States. In the drastic economic deflation of 1920-21, wages were not reduced. Why? Not because the employers had learned the stabilizing value of high wages in an industrial depression; that was one of the lessons of the crisis. Wages were not cut because American capital was afraid lest American labor should go Bolshevik if wages *were* cut. Since then the best advertisers of the Bolshevik menace have been the leaders of organized American labor. They have practically told the employers: "Cut wages, discharge workers, crush the unions, restore the open shop, *if you like*. But if you do, you will find yourself face to face with bolshevism. If, however, you deal with responsible labor unions, you will not only be giving labor a stake in national prosperity, which will make the unions a barren soil for bolshevism, you will secure their active help in combating the machinations of the Third International."

It is a fact that the Communist vituperations are fully as bitter against the federation leaders as they are toward the leaders of American capital. Conversely, the day that American capital ceases to fear bolshevism as an actual menace to the economic and social order in the United States, American labor will have lost its strongest argument for higher wages and shorter hours. A study of the course of unemployment in the United States shows fear of Red propaganda marching at an equal pace with

the danger of a deflation of American wages. Nobody has yet explained how or why the United States, with its generations of organized experience in political self-government and in virtually unrestricted economic enterprise, should be expected to fall so easy a prey to the collective panaceas of a handful of Communist agitators. Our avowed terror of Red propaganda is either an admission that we have no faith in the integrity of our institutions and the intelligence of our people, or it is a convenient pretext.

Then there is the religious opposition to Russia. Since the revolution, Russia has been an atheistic State. It has, if you will, engaged in an effort to root out religion as a "narcotic for the masses" as serious as our effort to root out alcohol as a social menace. Religion of a purely sacramental type has been retained, just as we have retained medicinal and sacramental liquors, under government permit. But Russia no longer is the "God-intoxicated people" it was when the furniture of the average peasant's hut included an ikon, a picture of the Czar and a bottle of vodka. This is probably a net gain for humanity and for religion. If Christianity is not powerful enough to hold its own against the legislative temper of the Soviet State, it has gone too far from its sources to be regarded any longer as a significant social force.

The old Russian Orthodoxy was politically a part of the Czarist régime, and the Russian Catholics were largely identified with the Poles, which explains a certain amount of the persecution which the Orthodox experienced after the counter-revolutions and the Catholics after the Polish War. Judaism, Mohammedanism and Protestantism are alike subject to the Soviet's atheistic policy and yet only the Anglicans and Episcopalians have taken serious exception to the Soviet policy. That the United States should continue to hold Soviet Russia in moral abhorrence undoubtedly suits the convenience of the

Jesuit group, which holds the upper hand in the present Roman Pontificate, and also harmonizes with the middle-of-the-road policy of the Anglican church, which is alternately playing with the idea of a merger with the Orthodox and of a reunion with Rome. It also probably suits the ideas of several level-headed European business men, such as Sir Henri Deterding of the Royal Dutch-Shell group, Herr Hugenberg of the German industrialists, Herr Kreuger of the Swedish match trust, and the lesser entrepreneurs who share their views and interests.

One reason for this is the recent significant growth of Russian-American trade. When, after the Wall Street crash of October, 1929, we faced what almost amounted to a buyers' strike in Europe, Soviet Russia was the only country which voluntarily increased its purchases in the United States, until it became temporarily one of our six best markets. Russian purchases from us in the first quarter of 1930 were exceeded only by those of France, Germany, Great Britain, Canada and Japan, altho the Department of Commerce looked askance at any credits which would help us to expand this trade. Russia, incredibly and ominously enough, is coming back economically. American business relations with Russia have increased year by year. We are selling Russia raw materials and industrial machinery; we are training Russian technicians; we have lent technical experts to Russia to help in factory installation and construction work. Despite the absence of diplomatic relations, American business has found it possible to deal profitably with Soviet Russia.

All this is happening at a time when the capitalistic countries—led by ourselves—are going thru one of their periodic and scandalous cycles of overproduction and unemployment. The far-reaching implications of the Russian Five-Year Plan for economic reconstruction are beginning to attract attention, as the British government sets up an Economic Council and President Hoover's

Business Committee begins to study the recent business decline. For the first time, a practical vindication of collective economic methods begins to appear possible. Such a Soviet success would mean increased competition in European markets and growing social unrest in European countries.

It is an interesting picture: Standard and Shell resume their price-war on the issue of "stolen" Russian oil, with Shell raiding American retail markets and Standard peddling Russian oil in the Near and Middle East; on her maiden voyage to New York the Europa brings Soviet technicians with \$30,000,000 worth of orders for American machinery; Russian lumber and pulp wood begins to compete successfully with the Canadian product in the Eastern United States; American ships throng the harbor of Odessa and ply the Baltic ports; the British government concludes a preliminary trade agreement with Moscow as American machinery equips the Russian factories which formerly bought their equipment from England; and the Five-Year Plan continues to suggest that business and economics may be national rather than individual functions, to be dealt with on the basis of the general welfare rather than private profit.

So far, the result of all this has been to leave the American policy toward Russia unaltered. Trade has developed; economic relations are closer; interchange of economic ideas is continuous. Russia is becoming "Fordized"; we are beginning to lay the foundation of a capitalistic variant of the collective principle thru the institution of huge holding companies and billion-dollar mergers. Russian dismemberment has been prevented. Europe has moved back its line of defense against bolshevism from the political and economic zones to the cultural and religious sphere, much as Japan buttressed itself against Westernization thru the promulgation of the official Shinto cult. In so doing, Europe has temporarily carried American opinion along in a new anti-

Soviet bias. Stories of the nationalization of women and of revolutionary atrocities no longer serve to inflame us, but a nation which takes its labor policy from the Federation of Labor and its religious foreign policy from Bishop Manning and the Catholic Welfare Council does not move gracefully in the direction of recognition.

On the other hand, there does not yet appear to be any strong reason for American recognition of Russia. The arguments advanced by Secretaries Colby and Hughes have, it is true, been somewhat modified with the passage of time. It is also true that the Stimson-Litvinov incident has failed to leave any permanent scar on the beautifully polished surface of the State Department's disinclination to have anything to do with Russia. Russian-American trade, with all its disabilities, has flourished. Russian economic recovery is daily becoming more possible and can hardly be regarded as a menace to the United States.

Three new factors have arisen in the economic sphere, which may materially affect our Russian policy. They are the Five-Year Plan, the American industrial depression and the provisional British trade agreement with Moscow.

It is obvious that any substantial success for the Five-Year Plan will have a profound practical effect upon our attitude toward Russia. If the Soviet Union makes a success of its ambitious effort to lift itself by its economic boot-straps, manufactures its own capital and enters world trade as the most colossal single business enterprise in history, we shall have to take notice. Russia is one of the greatest of the world's potential markets and Moscow is keenly alive to its potentialities. The quantitative success of the Five-Year Plan is hardly contested; the qualitative success is not so apparent, altho Russian exports of manufactured articles—matches, china, glassware, cloth, and so forth—suggest that adequate quality may also be attained. Moscow plans to

double Russia's foreign trade—which now is worth close to \$1,000,000,000—in the next four years. Russian wood-pulp may enable our paper industry to free itself from dependence on Canada. Russian oil may enable Standard to turn the tide in its long battle with Shell. Russian purchases of tractors, automobiles and heavy machinery may break the iron ring which our European competitors have been forging around our premier industry ever since the Smoot-Hawley tariff began to be debated.

If we can get all this without recognition, we shall not worry about our Russian policy. However, the business depression in this country has caused us to take stock of our foreign trade. When the London police raided Arcos, Limited, the Russians transferred the greater part of their British business to the United States. Under these conditions we have built up a trade with Russia worth \$150,000,000 a year. Our foreign and domestic trade is not so healthy that we can afford to lose \$150,000,000 worth of annual orders. We have begun to realize that perhaps our prosperity is not automatic and that perhaps we will have to do something to retain it. At the same time, we are not quite so complacent over our own methods as we were in the days when wages and stocks and prices were rising in a wonderful statistical curve. It may be that we can further refine our economic institutions by comparative studies of Moscow's experience with collectivism. If Moscow keeps its hands off our millions of unemployed and continues its willingness to trade with us, we may discover that it is our moral duty to enter into closer relations with Russia, in order to help teach the Russians the truth about economics. There is scope for a great American missionary movement to function in our business relations with Moscow, and if Moscow plays the game we may find our Russian trade taking on an almost evangelical color.

The new Anglo-Russian trade agreement is the third element in this new equation. Great Britain, despite photostats as convincing as any of former Commissioner Whalen, has signed a new trade agreement with the Soviets, the first fruits of which were a £3,000,000 order for Imperial Chemicals, Ltd., and the prospect of £20,000,000 in annual orders for British industry. Already the British newspapers are suggesting that the Soviets may cut down on trade with America in order to induce us to sign a trade agreement. If Moscow plays that game with us, how will we respond? The Department of Commerce looks forward to a sharp decline in American orders from Russia, but will American business men and their employees let \$150,000,000 worth of orders and employment go without a murmur, especially if it goes to British and German competitors? Much depends, naturally, on how we might be approached. If it were a straight hold-up—no agreement, no trade—we would probably tell Moscow to go to the devil, and retaliate by barring Russian products from our customs, along with the products of slave labor. If it were a gradual shifting of orders from America to England, our competitive spirit might find excellent reasons for not permitting the Russian market to go by default.

If we ever come to a direct issue with Russia the present obstacles to recognition would have to be faced squarely. Moscow has on several occasions indicated its willingness to negotiate on war debts and confiscated property. Our previous declaration that there was no need to negotiate is not conclusive. We have done so in every other case of war debts and confiscation. There is need to negotiate if only to establish modalities of payment and to set up machinery for the adjudication of private claims.

The question of Communist propaganda is a stiffer hurdle. The Moscow government is no more willing to restrain the missionary work of the Third International

than we are to curb the missionary activities of the groups which send out men and women to preach to the heathen the gospel of skirts and trousers, monogamy, prohibition, toothbrushes and sewing machines. If we are really afraid of communism, if we really believe that a scattering of Marxians in this country can overthrow our institutions, there is little that can be done to save them. Surely propaganda no more than trade is dependent on official relations. On the other hand, we have laws, police, courts, prisons and deportation orders, and we can jail or deport any Communist the moment he infringes our statutes. We can also demand the recall of any diplomat who abuses our hospitality by tampering with our institutions. We have done so on other occasions.

If we take the attitude that the existence of Communist propaganda is evidence of an unfriendly disposition toward the United States, what shall we say of anti-American trade propaganda in the Argentine, what of Pan-Latin cultural propaganda in Central America, what of anti-Western propaganda in China, and what of the propaganda on the European Continent, the official, semi-official, and officially inspired agitation against American goods, methods, slang, morals, music, art and policies, which has pilloried "Americanization" as the great menace, which made "Uncle Shylock" a household word in the two countries which live on interest from debt, and which poisoned our relations with many nations toward which we had behaved in the most circumspect and friendly manner? We are—or ought to be—big enough to stand a little propaganda without succumbing to it. We have—or ought to have—sufficient faith in our own institutions and our own people not to tremble every time a soap-box hero publishes a pamphlet calling for the establishment of an American Soviet inside the next twenty-four hours. And if we ever have a sufficient material motive for recognizing Russia, any student of American domestic politics can confidently predict that

we shall toss aside all pretexts for avoiding the subject and shall get down to cases in record time. We have maintained relations with polygamists, with slave States, with despots and Sultans; we have dealt with cannibals and other races who did not conform with the dietary and moral standards of Main Street. The notion that we must endorse the domestic institutions of any country whose diplomatic existence we recognize is a new element in world politics, and is a distinct luxury in world trade. Where our interests are at stake we may find it our moral duty to overlook the collective heresy of the Soviets and to tolerate their naive desire to convert us from the error of our capitalistic ways.

Signs are multiplying that the world's policy toward Russia is on the eve of a far-reaching reorientation. In this we are in a position to play the major part. As we took the lead in maintaining a policy of non-recognition during a decade in which our commercial competitors sought trade and other favors from Moscow, so might we take the leadership in formulating a new policy which would reconcile the novel institutions of Soviet economy with the orderly evolution of world trade. Otherwise the advantageous position of diplomatic detachment with respect to Russia, which we have won by our stubborn policy of the last ten years, will be revealed as unsubstantial. Between Moscow and Washington the economic destiny of the twentieth century may be decided in the course of the next few years.

RUSSIA *

MR. BORAH. Mr. President, as we all know, Russia occupies about one-sixth of the earth's surface; she has a population of about 150,000,000; at the present rate of increase her population will number 300,000,000 in thirty-

* From speech of William E. Borah, in the Senate of the United States, March 3, 1931.

five years. Russia has a radio station 650 miles north of the Arctic Circle. Her southern boundary is upon a parallel with Richmond, Va. Her timber lands are more extensive than were the timber lands of the United States sixty years ago. Her cotton lands are more extensive than the cotton lands of the United States. Her wheat lands are equal in area to the wheat lands of the United States and Canada combined. This is the government and these are the people which our government officially does not know exist.

I can see no real peace in Europe until the Russian problem is settled.

I realize that there are serious problems connected with Russia and our relationship to Russia, but it is my feeling that these problems can better be dealt with if the ordinary relations between nations are established between Russia and all other governments. I do not feel that we can ever deal with Russia satisfactorily to ourselves or to Russia under the present program.

Mr. President, the present government of Russia has been in existence now for twelve years. That government is in complete control of Russia. There is no other government disputing its authority; there is no other government or organized force contending with it or assuming to contend with it for authority in Russia. It is performing all the functions and duties and obligations of government as viewed from the standpoint of the Soviet government itself. Some of those views we will discuss before we close, but as a government it is operating and controlling all government affairs in Russia.

Mr. President, no one would rejoice more than myself to see the government of Russia changed in many essential particulars. I entertain no doubt it will be changed, tho probably not speedily. But who could wish for its overthrow and for an attempt to restore in some form the old régime and to reestablish old conditions? Are we interested in seeing the brutal system which for

three hundred years exploited and oppressed the people of Russia again riveted upon the Russian people? For more than one hundred and fifty years every popular movement in Russia has had its origin in an insatiable hunger for land. Are we interested in seeing the land taken from the peasants, in seeing the old estates restored, the schools closed, and all voice in government denied? Are we interested in seeing the incompetency, the corruption, the cruelty, the brutality of the old government restored?

The present government with all its faults—and they seem huge to us—is doing something which must ultimately redound to the welfare of the whole Russian people. The peasant is in possession of the land. In the short space of twelve years, much of which time Russia was engaged in driving out foreign foes who had no more right to be in Russia than the burglar has to be in my house, an educational system has been established which has elicited the commendation of the best educators of our land. Illiteracy has been reduced by 50 per cent. The common man has been made to feel he has a right to exist. The whole people of Russia entertain a new hope and are inspired by a new faith in the future. The present government has done more for the people of Russia in ten years than the old government of the Czars did in two hundred years.

I have from the start sympathized with the Russian people as a people in their effort to escape from the cruel system of the past. I sympathize with them now. They are a people capable of the most exalted devotion to a cause. They are brave, and they are willing to sacrifice themselves for others. Their capacity for suffering is indicative of their capacity for endurance in a cause for which they are once enlisted. They are the same people who in the great war mobilized 21,000,000 men, who furnished 14,000,000 men in arms fighting over a front of 3,500 miles, who stood at one time against one-third of

the German Army, two-thirds of the Austrian Army, all of the Hungarian Army, who lost more than 2,500,000 men dead on the field of battle, who had 3,000,000 men wounded, 2,000,000 taken prisoners, 1,000,000 of whom died in prison, who captured 400,000 Germans, 1,000,000 Austrians, 300,000 Hungarians. These are the brave people who fought under the most adverse circumstances. Corruption and incompetency of the government had deprived them of the weapons and arms of warfare. A great English statesman has said it was not too much to say that the Russians at one time saved the Allied cause. These are the same people, with the same high and great qualities. I do not propose to let a few men, or a new and exceptional situation, blind me to their worth as a people. I repeat, I sympathize with them in their great struggle. I would recognize their government and aid them in all proper ways to work out their problems and reach their ultimate goal.

When I think of Russia, therefore, and seek to determine a proper course to be pursued by this government toward Russia, I do not think primarily of Lenin, and Trotsky, and Stalin, altho they have been and some still are outstanding figures in that moving drama. I think of the 150,000,000 men, women, and children who are moved by the same passions and governed by the same virtues as other peoples. Thinking of them and their interests, and the United States and our interests, I seek to determine what our policy should be. These people are struggling in their own way and under the most adverse circumstances to work out their own salvation. It is for their aid and for their interests that I would act, and by which I would be governed. I can understand how one could loathe and abhor an individual leader, but I do not know how one could hate, or even be indifferent to, the welfare of a whole people. How can a whole people encompass within their wrath another people? These people are endeavoring to put behind

them for all time their everlasting peonage and degradation. They are traveling thru fire in devious paths and over bloody roads. But they are striving to be an independent and powerful people. These people want freedom. They want security against old oppression. They may not see clearly, but they are reaching for better things and a better life. In the words of Edmund Burke: "The poorest being that crawls on earth contending to save itself from injustice and oppression is an object respectable in the eyes of God and man."

The younger Pitt, in dealing with the French Revolution, saw only Robespierre, Danton, and Barerre and other leaders, and shaped his policy toward the French Revolution in accordance with his conception of these men. Washington saw the whole people of France, believed in them, even in the bloodiest hours of the revolution believed in them, and shaped a policy far different and far wiser. Leaders are here for a day. The people are here for all time. It is the people who will determine finally the policy of Russia and her place in the politics of the world. I prefer to keep in mind the Russian people in whose ultimate success socially, economically, and politically I have unbounded confidence. Their government and their plans do not suit me, but their government suits them. Quoting again from Burke:

If any ask me what a free government is, I answer that for any practical purpose it is what the people think so, and that they and not I are the natural lawful and competent judges of this matter.

The people of Russia, as there are abundant facts to prove, prefer this government to the old government or to any government which the old forces could, or would, establish.

Mr. President, when I was discussing the recognition of Russia eight years ago a learned and able Secretary of State took the position that there was nothing in Russia to recognize, or about which we should be concerned.

He referred to Russia as an economic vacuum. On one occasion he used language as follows:

It is manifest to this government that in existing circumstances there is no assurance for the development of trade, as the supplies which Russia might now be able to obtain would be wholly inadequate to meet her needs and no lasting good can result so long as the present causes of progressive impoverishment continue to operate. It is only in the productivity of Russia that there is any hope for the Russian people, and it is idle to expect resumption of trade until the economic bases of production are securely established.

Mr. President, the gravest concern of the economic world today, and of the capitalistic nations of the world, is how to take care of that "economic vacuum," what to do with the vast exports coming out of Russia. The greatest economic disturbance in the world today arises out of the productive power as it is rapidly increasing in Russia. It is dangerous to prophesy concerning 150,000,000 people when devoted to and consecrated to a definite object. What seemed an impossibility has become a startling reality. Russia is no longer an economic vacuum, she is a vast economic power creating concern in every capitalistic nation on the globe.

Our exports to Russia have increased about 214 per cent over the pre-war exports. Our imports from Russia are something like 24 per cent less than before the war. For the first six months of 1930, the Soviet government spent nearly \$7 in this country for every dollar's worth of goods they sold to us.

According to the report of the United States Chamber of Commerce for January-June, 1930, the Soviet government was the sixth best foreign customer of the United States during that period.

According to the Department of Commerce reports, August 25, 1930, the first half of 1930 gave Russia the first place as a purchaser of our agricultural machinery.

The Commerce Reports, April 28, 1930, showed that the Soviet Union was our third largest foreign customer for American industrial machinery.

The Commerce Reports, May 26, 1930, showed that they were our fifth largest customer for American mining and quarry machinery.

The Commerce Reports, 1929, showed that they were our fourth largest foreign customer for electrical equipment.

The Commerce Reports, 1929, the same reports from which I have been quoting, showed that they were our fourth largest foreign customer for American metal working machinery.

The same reports, May 5, 1929, showed that they were our second largest foreign customer for American construction machinery.

It is shown that for the first six months of 1930 they were our leading foreign customer for American air-compressors.

During the last seven years Russia has purchased \$262,700,000 worth of cotton from the United States.

Mr. Knickerbocker, the New York *Evening Post* correspondent, who visited Russia, has given us a very full survey of the development of Russia under what is known as the five-year plan. I have not the time, nor have I the desire, to quote at length from his articles; but I desire to quote enough to illustrate what I am seeking to establish, first, the stability of the Russian government, and, secondly, the success of its industrial plan thus far, so as to meet every condition which is ordinarily exacted with reference to establishing the ordinary normal relations between another country and this country.

This writer says:

Standing here in Cheliabinsk in the midst of the vast growing walls of the largest tractor plant in the world, one is irresistibly reminded of the remarks of *Izvestia*, official organ of the Soviet government, that "the manufacturing of a tank and a tractor have a great many points in common. Even artillery, machine guns and rifles could be manufactured successfully in the commercial factories.

The Urals have their own plan within the Five-Year Plan. This year they produced 800,000 tons of iron and steel and next year will produce 1,100,000 tons.

In 1933 six to seven million tons of steel and 8,000,000 of cast iron is the goal of the Plan, revised several times upward.

Writing of the Stalingrad factory, he said:

There are 380 Americans at work in the Stalingrad tractor factory. This is the largest American colony in the Soviet Union. A few engineers. Most are highly skilled workmen. American workmen, here under a 1-year contract, receive from \$200 to \$300 a month paid into an American bank in dollars, plus 300 to 400 roubles a month paid in roubles in Stalingrad. Their breakfast, lunch, and dinner in the American restaurant cost them three roubles 50 kopeks a day, their rent from 22 to 32 roubles a month. Cognac, wine, and beer are plentiful and very cheap in the special cooperative store reserved for their use.

The Soviet Union is banking heavily on the help of American engineers and qualified workmen to make the Five-Year Plan a success.

Speaking of the great asbestos mine, he says:

Rukeyser is an excellent illustration of the American engineer successful in Russia. Graduate of Princeton '16, Columbia '18, and with an engineering experience that has touched nearly every continent, Rukeyser specialized in asbestos mining, invented a system of processing the mineral, was quoted in engineering handbooks as an authority, and in 1928 at the beginning of the five-year plan was invited by the Soviet government to come to the Urals and see what could be done toward putting the insignificant Soviet production on a rational basis. "Rational" in this case, an instance typical of the dimensions of the plan, meant multiplying the production by ten within five years.

Today, two years after the first visit of the American engineer, the plant is turning out more than twice the production of 1928, more than four times the production of 1913. By 1933 the total production of all the area controlled by the trust, a vast store of more than 12,000,000 tons of high-grade asbestos ore in a single deposit 36 miles long, probably will reach 250,000 tons yearly, valued at \$25,000,000, one and one-half times the tonnage and twice the value of the whole production of the seven largest mines in Canada, now the principal source of this indispensable industrial product of the world. The production of asbestos in the whole Soviet Union in 1913—at the beginning of the year—was 13,762 tons; in 1927 it was 26,000 tons, and in the year just closed, "Uralazbest" turned out 56,000 tons.

Mr. Thomas D. Campbell, the great farmer and wheat grower of Montana, said a short time ago:

I have just returned from an investigation of agricultural and economic conditions in several European countries and in Russia, and I find that the biggest market in the world today for American goods is in Russia. There is enough business there to relieve our industrial depression almost immediately.

Col. Hugh L. Cooper says :

The marked success of American machinery and equipment, both thoroly demonstrated in severe competition with those of other countries, has produced an opportunity for American trade that has immeasurable potentialities.

Ralph Budd, president of the Great Northern Railway, and one of America's leading railroad authorities who has been invited by the Soviet to act as adviser on their railway development projects, reports that nearly \$3,000,000,000 worth of equipment will be necessary for the modernization program if the five-year plan is to be realized.

Mr. Budd anticipates that the bulk of initial orders, at least, will be placed in the United States, and that a staff of 160 or more American railway executives will be employed by the Russians to direct the huge program.

Whether we approve or disapprove, we are compelled to realize the fact that the mainspring of the Russian policy is an inexorable determination to succeed. And they are calling into their service the best talent in this country and Germany and other countries to aid them in their enterprise.

With the greatest natural resources in the world, with a man power excelled in no nation in the world, harnessed by the talent and the genius of American engineers and American business men, together with those of Germany, we may well base our future program upon the proposition that they are going to succeed.

The London *Economist*, in a recent publication, said :

The opening of this vast market means not only the eventual supply of the needs of the peasants as consumers. The peasants as producers constitute a still more important market. Indeed, this is likely to be the greatest market of all for the metal, the engineering, the wood-working, and the chemical in-

dustries. Among goods, badly needed by the peasants one need only mention tractors, lorries, motor cars, ploughing, reaping and threshing machines, utensils required for dairy work, and machines essential to various village industries, not to speak of petroleum and fertilizers. . . And the peasants' market is not the only one. That furnished by the urban population must not be overlooked. This market is smaller, but big in possibilities of development.

A few days ago I received a letter from an engineer living in Philadelphia, who has just returned from Russia. He was in charge of a large construction program in Russia. I read a paragraph or two from his letter:

My experience there, while in direct contact with the workers, convinced me that the people are contented and are making sacrifices in a patriotic manner to put thru the Five-Year Plan; sacrifices such as we made during the World War. I am further convinced from what I have been able to observe that their plan will go thru.

It has afforded me much amusement to read some of the statements which have appeared in the press, so colored that it ceases to be humorous, and contrary to the spirit of fair play as we know it in America.

What Russia asks for today is a chance to modernize itself so that it shall be upon an equal footing with the rest of the world, and it seems to me that we should not be jealous of so worthy an ambition.

In my opinion, the greatest potential, the greatest developing market in the world for American goods is in Russia. This market is ours under any reasonable policy. Our conditions, our great unemployed, ought to encourage us to seek foreign markets wherever they may be found.

Mr. President, there is one thing about the present policy with reference to Russia that I think we ought to take into consideration. It does not keep out of Russia those who have the ability of themselves and of their own means to go into Russia and exploit Russia and get whatever they may desire out of Russia. The disadvantage of the present program is that it militates against the man of ordinary means. Without consuls, without the ambassador, without the representatives of the government, unless he is of sufficient affairs financially to finance his own proposition and to purchase his own protection

from his own special agents, it is practically impossible for him to do business in Russia.

Only a few days ago a gentleman from California who was seeking a large contract in Russia came to my office and asked for a letter. He stated that the great difficulty of the man of limited means doing business in Russia was to form contacts, to get representation at the sources of power. He stated that he was seeking this great contract in competition with English individuals; that they had their ambassador, their consuls, and their representatives, and it was practically impossible for him to do business upon an equality with them. Therefore he was seeking some means by which to get an introduction to Russia.

There are now something over forty American corporations doing business in Russia and helping in a substantial way the Russians to work out their industrial revolution. There are over 2,000 experts from the United States employed as technical experts and as employes of American corporations. Those corporations extend credit running over four and five years. The Russian régime now owes America something over \$175,000,000—that is, American corporations and individuals. All over Russia there are important enterprises conducted and directed by American engineers and American business men.

The result of the policy now obtaining with reference to Russia is to dedicate Russia to exploitation by powerful business interests and to withhold any advantage which might accrue to the ordinary business man in dealing with Russia. For instance, the Standard Oil Company of New York and the Vacuum Oil Company are dealing with Russia and have been for some time. They purchased from the Soviet oil industry under various contracts oil products valued at \$10,000,000 yearly. When Mr. Hughes was Secretary of State he declared that Russia was an economic vacuum and that it was

dangerous to make contracts or undertake to do business in Russia. After he became attorney for the Standard Oil Company upon his retirement his client felt perfectly safe, apparently, in making contracts in Russia.

The Standard Oil Company of New Jersey vigorously protested against the Russian dealings of the Standard Oil Company of New York. The Standard Oil Company of New Jersey is said to be closely affiliated with the Royal Dutch interests. Sir Henry Deterding, of the Royal Dutch interests, attempted and failed in 1922 at Genoa to secure a monopoly of control of Russian oil.

The Russian Oil Products, Ltd., a Russian company, undersold the Anglo-American Oil Company, an offshoot of the Standard Oil Company of New Jersey, the Royal Dutch Shell, and the Anglo-Persians, and caused them a great deal of trouble. This aroused these companies and their friends to the great danger of Bolshevism and to the possible overthrow of the government of the United States by propaganda. They became deeply interested in religious freedom and free government, and in preserving them from overthrow by the Russian Bolsheviks—after the oil controversy.

Mr. President, it has been interesting to study the new deluges of propagandism coming out against Russia and to observe how they synchronize with some refusal on the part of Russia to grant large oil concessions or other concessions with reference to her natural resources. All that has been particularly true with reference to the man who has been called the Napoleon of oil, Lord Deterding. Seeking in the first instance to deal with Russia, to secure Russian oil concessions, and failing to do so he has been an open advocate since that time of the overthrow of the Russian government, even by force if necessary. We can not disassociate the propaganda campaign entirely from the selfish interests of those who are dissatisfied with treatment which they receive at the hands of Russia in

refusing oil concessions. Lord Nelson himself, upon the deck of his famous flagship going into action against the navies of the world, was not a more heroic figure than Lord Deterding going to the defense of families and religion and free institutions—after he was refused the concession of oil in Russia.

Mr. President, the International General Electric Company sold technical apparatus and supplies to Russia valued at \$25,000,000 over a period of six years. The International Harvester Company has sold farm machinery valued at \$20,000,000 during the past four years. The United States Steel Corporation has purchased soviet manganese ore valued at millions of dollars during the past six years. The Bethlehem Steel Corporation has purchased soviet manganese ore valued at millions of dollars during the past six years.

The Radio Corporation of American has sold soviet organizations \$1,000,000 worth of commodities. The Ford Motor Company has received orders from the soviet organization covering tens of millions of dollars. The du Pont de Nemours Company has large contracts with the Soviet government. The Westinghouse Electric Company has sold considerable apparatus to the Soviet government.

The Caterpillar Tractor Company has sold scores of millions of dollars in implements to soviet organizations during the last few years.

The Oliver Farm Equipment Company has had the same scale of order as Caterpillar Tractor Company, as have the Allis-Chalmers Manufacturing Company and Deere and Company.

Adolph Lewisohn and Sons, Inc. have sold millions of dollars worth of nonferrous metals to soviet organizations. Albert Kahn, Inc. has a contract for designing the Stalingrad tractor plant. The Freyn Engineering Company are consulting engineers for the Soviet State Insti-

tute for the designing of steel mills and are working on construction contracts valued at over \$100,000,000.

The Austin Company is engaged in technical assistance on an automobile plant at Nizhni-Novgorod, to cost over \$100,000,000. Arthur G. McKee and Company are consulting engineers on the construction of the Magnitogorsk steel plant, which will cost over \$400,000,000. Hugh L. Cooper and Company are consulting engineers on the construction of the Dnieper River hydro-electric power plant, to cost over \$100,000,000.

So the large business interests are carrying on business with Russia, possibly under some disadvantages, but not under controlling disadvantages, while the smaller business man is precluded practically from carrying on business under present conditions.

Let us say a word with reference to our imports from Russia. A few days ago I secured from the Department of Commerce some figures with reference to imports from Russia. Let us take first wheat. In 1929 Russia imported into the United States twelve bushels of wheat worth \$17. In 1930 she imported no wheat whatever. Yet I venture to say that millions of farmers in the United States last summer were led to believe that large importations of wheat were coming into the United States. I read a public address by a man in public office who said: "What is the tariff worth to the American farmer upon wheat when the Russian is laying down wheat in New York City for 38 cents?" There has been no wheat laid down in New York from Russia. There are no imports of that nature coming into the United States at all.

Let us take lumber. In 1929 the total imports of soft lumber were 37,936,000 board feet. In 1930 the imports were 70,760,000 board feet. The value in 1929 was \$768,465. The value in 1930 was \$1,544,212.

I noticed a few days ago that the Treasury Department had excluded under its rulings the importation of

lumber on the ground that convict labor had been employed in its production. Five days thereafter the Treasury Department admitted the importations of manganese—excluding lumber upon one day and admitting manganese practically upon the next day. That may not be entirely the fault of the Treasury Department. I will undertake to show, if I can be given enough means, from the class of people from whom they take their testimony, that there is convict labor in the lumber camps or that there is not convict labor in the lumber camps. I will undertake to show from these emigrés and escapes and convicts that there is convict labor in the manganese camps or there is not convict labor in the manganese camps. We have no reliable evidence. We have no means of getting reliable evidence. Our whole policy of trade with Russia depends on proof which no court would consider worthy of credence.

I have listened over the radio to and read discussions on Russia much of late, and I have been interested in some of the reasons for inveighing against Russia; some of the arguments which are advanced as to why we should refuse to recognize Russia or even to trade with Russia. It is urged in the first place that Russia is governed by a cruel dictator, that only a few ruthless rulers hold control. Suppose that is true. When has Russia been governed by other than a dictator? When have other than a few ruthless rulers had control of Russia? What kind of a government did Russia have before the present government? How many people participated in the rule of Russia then? Who complained of the old dictatorship? Did we not recognize the old Russian government? Did we not do business with the old Russian government? Did we have societies and organizations inveighing against the old Russian government? Furthermore, it is said that the people have no voice, that they are ruled thru fear and force. What voice had the people in the old Russian government?

I maintain that the people of Russia are far better off under the present government than they have ever been in their history. They are undergoing great hardships and are undoubtedly suffering greatly. But they at least have a future, their face is toward better things.

Let me read a paragraph from *Humanity Uprooted*, a profoundly interesting book by Mr. Hindus. Speaking of a public meeting which he attended and of how the people were taking part in the discussion, he said:

I remembered him (the Muzhik) so well in the old days, this lowly, miserable creature of a Muzhik, how meek he seemed in the presence of officials, how humbly he would bow before a man in a uniform, or sometimes only in city clothes. But now, in this desolate village, I witnessed the extraordinary spectacle of a bedraggled, mud-spattered Muzhik actually denouncing and haranguing officials—all government—with no more restraint or compunction than as if he were scolding his son or whipping his horse. It seemed so terribly unreal, so unbelievably heroic. At first I thought this was just an exceptional outburst of fury, a dash of gall on a surging billow of despair. But further experience in the village dispelled the supposition swiftly enough. It was the same everywhere I traveled. It would be impossible to overestimate the significance of this burst of audacity in the peasant. It implies many things, chief of all an awareness of self which was alien to him in the pre-revolution era. Clearly, the revolution has been blasting his passivity out of him and battering him into a pride, a self-respect, a dignity which he never had manifested in the old days.

Again he says, speaking of a peasant:

In one other respect has the life of the peasant grown richer. He has a more abundant variety of social diversions than he ever had in the old days. Theatricals, for example, were scarcely known in the Russian village in the pre-revolutionary times. They are widespread now. Wherever there is a village with a schoolhouse there one is likely to find a little theater. In villages far removed from centers of civilization I came on clubhouses equipped with extraordinary stage paraphernalia.

Again he says:

Time will only continue to fan the new consciousness of the peasant and spur him into ever-increasing self-assertiveness, and make him constantly more demanding. It cannot be otherwise.

There can be no doubt, Mr. President, that a new life, a new existence has been given to the peasant of

Russia. There can be no doubt that he is a different human being with a different outlook. They may inveigh and propagandize and falsify the facts, but the truth is, that the revolution has released the Russian people from the old dead, hopeless past.

Further, it is contended that Russia is antireligious. There is no doubt that the leaders of Russia, or some of the most important leaders, are antireligious. But how much of religion, of real religion, was in Russia when a vile lascivious pervert like Rasputin could dominate and direct the religious affairs, as well as the civic affairs of Russia? How much of religion, save now and then an isolated and devoted follower of the Savior, existed in Russia when the Russian court was infested and dominated by this miserable, slimy creature who was not only a disgrace and a challenge to religion, but who was a disgrace to the most ordinary rules of decency, who had sunk to the dead level of total depravity? And what religious leaders in this country protested against recognizing the old régime while these conditions prevailed? And what religious leaders in this country would now like to return to such conditions as prevailed under the old régime?

It is also claimed that she has repudiated her debts and confiscated property. She did repudiate her debts and confiscate property. She has stood ready for eight years to pay her debts. She is willing to meet the United States at any time upon a basis of equality to compensate for the damages of confiscation if the United States will consider the damages of invasion. It is claimed also that Russia does not respect her contracts and her agreements. I have here upon my desk a list of some three or four hundred firms who have been, and still are, doing business in Russia. Has anyone heard of any violation of contract with these men? These firms have extended credit, they have made heavy contracts. Is not the very fact that they continue to do business with

Russia a better evidence of Russia's keeping her contracts than the testimony of escapes and convicts and criminals and heated agitators? Russia has kept her contracts with our business men, and I have been advised by a number of these business men that she has kept her contracts most carefully and meticulously.

It seems to me that our conduct is a sorry manifestation of an utter lack of faith in our own people, in our own institutions, and in our own professions. If you should empty all the communistic propaganda possible into the very lap of the American people, if you should preach against property until tongues were paralyzed with weariness, if you should inveigh against parliamentary government and free institutions, it would not move the American people from their moorings or affect one-half of 1 per cent of our population. The safest security against all these things is the American people. The whole scheme as proposed in Russia would go to wreck upon the rock of American citizenship.

But let me assume I am in error in the belief that our government and our people are secure against communism. What are we going to do about it? The American people are neither blind nor deaf nor dumb. They read, they see, they hear, they know what is going on. They know all about the communistic creed. Our newspapers and magazines tell of the teachings and the preachings of the Russian leaders. You cannot put an embargo upon news or ideas in these days. The people do their own reading and their own thinking. I am glad it is so. The restlessness and the discontent in this country spring not at all from Russian literature or Russian teachings. We stand or fall not by what Russia does, but by what we do right here in our own country. We are slow about cleaning up our cities and making property safe and human life secure. We have failed to give work to those who are hungry and who would like to work. We have been unable to cleanse our system of corruption. We have

tolerated a system which compels honest and clean business men to pay tribute to crooks and criminals for the protection which their government fails to give. These are the things which cause restlessness and discontent and discouragement among our own people. It is not Russian literature which is disturbing our people or which we need fear. It is not that which is happening in Russia nor what Russia is proposing that is bringing doubt and worry to our own people. It is the conditions here in our own land. These are the things which challenge the attention and arouse the anxiety of the American people.

Mr. President, if I had my way about it I would establish normal relations with the Russian government. In doing so I would not assume I was indorsing the communistic theory; in doing so I would not indorse their method of carrying on their government; in doing so I would have no fear of their teachings or their propaganda undermining American citizenship. I would believe that as Russia is there, with her 150,000,000 people, occupying one-sixth of the earth's surface, that we have got to deal with her, and that it is better to deal with her in that way than in the abnormal and extraordinary way which leads to abnormal and extraordinary policies.

UNITED STATES RECOGNITION OF RUSSIA ESSENTIAL TO WORLD PEACE AND STABILIZATION ⁴

It is now nearly eight years since I left Russia, having served there in the American Red Cross, military and diplomatic missions of the United States. Several months of the Provisional government and some eight months of the Soviet power had passed under my obser-

⁴ From the article by Colonel Raymond Robins in "The United States in Relation to the European Situation." *Annals of the American Academy*. 126. July, 1926.

vation. Being sufficiently close to the outdoor realities to know, when the Bolshevik revolution culminated on the seventh of November, 1917, that this was the end of the Kerensky régime, I begin immediately to deal with the Soviets then under the leadership of Lenin, Trotsky and their associates. For eight months I tested the will and the power of these leaders and the dominion of Soviet control.

Returning to the United States in June, 1918, and reporting to our government at Washington, I advised against military intervention and urged American co-operation with the Russian people struggling to find their way to a long delayed freedom. I gave evidences to prove that Lenin and Trotsky were sincere and trusted leaders of the conscious Russian masses—however wrong might be their political and economic theories; that the Bolsheviks were fundamentally opposed to the German military autocracy; and that the Soviets would probably hold power for the period of the war and possibly much longer. I recommended the sending to Russia of a competent diplomatic and business mission to negotiate a *modus vivendi* for diplomatic and economic relations between the United States and Russia. For these views there was generous denunciation here and in other lands. These critics, claiming a superior knowledge of the Russian situation, declared that Lenin and Trotsky were thieves, murderers and German agents; that the Bolshevik revolution was a German-directed conspiracy against the Allies; and that the Soviet power must fall within a few weeks.

Now after nearly eight years Lenin's tomb is the scene of the daily pilgrimage of simple Russian folk, who regard him as their great liberator, Trotsky shares in the highest offices of the Russian government, and the Soviet power is known by all informed, intelligent and disinterested persons to be the most stable social control in Europe. Today Russia is governed by the oldest continuous party cabinet in the Old World.

Alone and outlawed, after the most appalling sacrifices in the great war, followed by the even greater sacrifices due to civil conflict, famine, pestilence and the production destroying theories of Communism, Russia has now stabilized the most fundamental economic revolution of history, and is under a system of limited capitalism and state socialism approaching prewar production in many of the essentials of civilized life. Her working people enjoy the best labor standards in Europe, she has adopted the most comprehensive program for general popular education ever accepted by a responsible government, and the most humane provisions for the welfare of women and children yet legalized in the Old World.

Despite the heavy handicap of non-recognition—without embassy or consulates—American business men are successfully operating important concessions and Russian trade in cotton alone has brought some one hundred million dollars into the United States during the last two years. America is the only first-class power that has not recognized the Soviet government. Is our government less stable and are our people less immune from the virus of Communism than the governments and peoples of the Old World? Every student knows that the exact opposite is true. Communism has made and will make less headway in these United States than in any other land. Why should American business and trade be longer handicapped by a futile non-intercourse policy with the greatest potential market for our manufactures and certain raw materials remaining on this earth?

WHY NON-RECOGNITION SHOULD CEASE

If we were as realistic as the British or the French I would recommend immediate recognition of the Soviet government of Russia by the government of the United States. In doing this, we would not approve of that

government, nor of its methods, moral, economic or political. This fact is so well settled by the principles and precedents of international law that I decline to stress it. But the long sustained propaganda against and misrepresentation of Soviet Russia has doubtless made this forthright action politically impossible for us. Therefore, as a practical method I recommend that we send a competent diplomatic and business mission to Russia, authorized to confer with the proper representatives of the Soviet government regarding the debts due the United States, the settlement of claims due our citizens for the confiscation of their property in Russia, and general provisions for intercourse, trade and commerce between America and Russia. Such an effort for re-establishment of normal relations between Russia and the United States is demanded by the following considerations:

First. Non-recognition is a sort of continuing *casus belli* between the two countries. It seems to justify propaganda for and against such recognition in both lands. It feeds the passion of international hatred, and promotes bitterness and misunderstanding. Such a policy is in direct conflict with our international action for more than a hundred years. Our historic policy has always been to recognize the *de facto* government and having made provisions for intercourse and trade, to refuse any alliance that would bind our future relationships. Under this policy Washington recognized the revolutionary government of France in its worst form. Under this policy we kept out of the affairs of Europe, and became the strongest government and the most prosperous people in the world. Under this policy of normal and friendly intercourse and trade with all nations—but alliance with none—we won the esteem of the people of all lands, and opened all the markets of the world for the commerce of the United States.

Second. Recognition of Russia has been opposed by those persons who fear that such recognition would result in an increase of communist propaganda in this country. It is not more reasonable to believe that recognition would have just the opposite effect? With a Russian ambassador at Washington and an American ambassador in Moscow we could protect much more effectively against any communist propaganda from Russian sources. As it is now, communist propaganda in America is of no moment in Moscow, and then its suppression would be a matter of economic concern to the Soviet government. I am not greatly excited about this propaganda. This is not because of the efficiency of the "bomb squads," but rather because of my conviction that communist institutions are alien to the genus of our political and economic nature, while democratic institutions are in harmony with that nature. None the less I would like to quiet the terrible unrest of some of our witch-hunters, who are otherwise sane and useful citizens. Class hatred and materialistic Communism are diseases engendered by the class-poisoned conditions of the Old World. They wither and die in the atmosphere of free religious, political and economic institutions. To be fearful of the stability of American social control because of the patter of the communist soapboxer is treason to the strength of our government, and unworthy of any mind capable of understanding the foundations of our social order.

Third. There can be no real disarmament nor assurance of international peace so long as our policy of isolating Russia is continued. The economic burden of vast armaments and the threat of war are the heaviest and most durable curses of the modern world. Every effort toward disarmament and a guaranty of lasting peace is doomed to failure so long as Russia has one of the largest standing armies in Europe and remains isolated from the fellowship of nations.

Fourth. The economic stabilization of Europe cannot be effectively maintained until the natural resources of Russia and the consumption power of the Russian people for imports from other lands, once again plays its normal part in the currents of world economic life. Soviet Russia embraces nearly one-seventh of the earth's surface and contains some one hundred and forty millions of people. Within her boundaries are more untilled fertile acres, more untouched forests of valuable timber and more unmined mineral resources than is possessed by any other nation.

Fifth. The Russian market is potentially the greatest undeveloped economic resource now left in this world. Already our foreign trade has begun to slow down. The need of foreign markets for our surplus products grows in urgency and importance from month to month. Russia contains vast stores of gold, manganese, oils and timber and she has a practical monopoly of flax, furs and platinum. She needs our tractors, machinery, motors, metals, chemicals, typewriters and cotton. American capital and technical ability are indispensable for the adequate development in any near future of Russian resources and trade. The opportunities of this market should be open to American labor and capital on the best terms. Such concessions as have been secured by bona fide American business men have been profitable and the relations with the Soviet authorities have been satisfactory—despite the burdensome conditions of non-recognition. Why should American business continue to suffer this handicap in securing our share of Russian trade?

Sixth. There is no principle that justifies our recognition of the present Italian government that would not justify our recognition of the present Russian government. Mussolini is as contemptuous of constitutional forms and democratic methods as was Lenin. His black-shirts are in principle the same ruthless domination by

force of the helpless masses of the people as was ever charged against Lenin's Red guard. His dictatorship in Italy is the same thing in method as the dictatorship of Lenin in Russia. The argument used by the eminent international banker Mr. Thomas W. Lamont, in justification of Mussolini's regime, in which he said: "As to the matter of liberalism, the question seems to me, to be liberal enough to let Italy have the sort of government she seems to want," I believe to be the true American doctrine and we invoke it on behalf of the Russian people and the Soviet government.

Seventh. The Russian people have a special and notable genius and are capable of a high place in the intellectual and moral leadership of mankind. Their character and geographical position give a dominant place in the Far East. Cooperation between Russia and America is the key to the solution of every international problem in the Orient. To force Russia into an Oriental triumvirate inimical to the Occidental nations is colossal diplomatic folly. To be indifferent to the injury to world civilization that can result from the continued effort by America to isolate Russia, is to confess ignorance of these potencies as well as moral bankruptcy in international affairs.

MAKING AMENDS

Let us speak frankly. There are individuals and groups in this country and other lands that oppose the recognition of Russia by the United States because of selfish interests, and there are individuals and groups that favor such recognition for the same ulterior reasons. Neither group is entitled to our consideration in the settlement of this momentous question.

Except in the splendid service of the American Relief Administration, under the wise and courageous leadership of Colonel Haskell, our past policy in relations to the Soviet government of Russia has been a tragedy of

errors. We have aided in stamping Bolshevism in instead of stamping it out. In obedience to an official diplomatic view, largely the product of the tea table chatter of emigrés and the propaganda of groups having a selfish interest in the hoped for return of the old order in Russia, we shared in a costly and futile military intervention that sent American boys to die uselessly in Siberia and north Russia. We participated in a savage embargo that brought privation and death to innocent women and children. We have been brutal and ruthless in dealing with helpless immigrants, while under the sweep of panic fears and prejudices aroused to fever heat by propaganda lies. To bolster this mistaken policy we published under the seal of the United States the feeble forgeries known as the Sisson documents, that had been rejected as stupidly false by the Allied Secret Service in Russia.

After eight years of this furtive and futile policy, during which the Soviet government has been doomed to die daily, that government is more stable and powerful now than at any other hour of its existence. Is it not time to substitute sanity and common sense for hysteria and lying propaganda in dealing with the Russian question? Let our government send to Russia a competent diplomatic and business mission and let them sit down at a table with the representatives of the Russian government. Then if that government declines a reasonable settlement of the debt due our government, to compensate those of our citizens whose property was confiscated and to give reasonable guaranties against official support of communist propaganda in this country, let this commission return and report the facts to the government and people of the United States, and we will keep the door closed against Russia, and prepare for the next war. If on the other hand the Soviet government does that which I have reason to believe it has been ready to do for the past eight years, i.e. make a satisfactory settlement on all these points, then we can proceed to formal recognition

and the establishment of normal intercourse and trade between Russia and America. In that hour we will have returned to our traditional foreign policy that has made this nation prosperous at home and respected abroad, and the cornerstone upon which international peace and economic stabilization can be founded will have been laid.

RECOGNIZE RUSSIA ⁵

Another example of the futility, if not the downright harmfulness, of the attitude of the United States towards Soviet Russia has been given in the recent Russo-Chinese embroglio in Manchuria. Altho the United States does not recognize the existence of the Soviet government, it saw fit to admonish it, thru the channel of France, not to go to war. It is little wonder that Moscow received our advances with a haughty coolness. It is doubtful now whether war will break out in North Manchuria. But if the dispute is amicably settled, it will probably be because of the mediation of the German government which is on good terms with both parties, and not because of the United States.

Many opponents of the Soviet regime in this country declare that Russia is a menace to the peace of the world. If this is true, the "menace" is increased by the present policy of the United States. Because of our recognition policy, the State Department has no first-hand source of information in regard to Russia; it must rely upon the press, upon other embassies, and upon simple gossip. The United States has no ambassador in Moscow who can discuss international matters face to face with the Russian authorities. There is no Russian Ambassador in Washington with whom Mr. Stimson can have his heart-to-heart talks. All that can now be done, when we wish to exhort the Soviet government not to violate the Kellogg

⁵ From article in the *New Republic*. 59:August 14, 1929.

Pact, is to issue broadsides to the press, and make appeals thru governments who have been bold enough to resume relations with a country which the United States still regards as an outcast.

The truth is that the United States is playing a game of hide and seek. We allow Russia to adhere to the Anti-War Pact; we attend the League of Nations meetings in regard to disarmament and economic matters along with Soviet representatives; we send back-door messages to the Soviets not to go to war; and we allow American merchants to enter into daily commercial relations with representatives of the Soviet Foreign Trade Monopoly. Despite it all, the American government officially denies that the Soviet government is a legal fact. We refuse to "recognize" it!

Why is it that the United States, alone of the great powers, maintains this attitude of legalistic aloofness toward Moscow? The reasons were stated by President Calvin Coolidge in his message of December, 1923, in which he said that this government did not propose "to enter into relations with another régime which refuses to recognize the sanctity of international obligations. I do not propose to barter away, for the privileges of trade, any of the cherished rights of humanity. I do not propose to make merchandise of any American principles." This sounds very idealistic and sacrificial; but the President spoiled it all by stating that the government offered "no objection to the carrying on of commerce by our citizens with the people of Russia." Now President Coolidge must have known that the foreign trade of Russia is in the hands of a government monopoly. Yet he saw nothing inconsistent in permitting our business men to make profit out of a system at one minute and then condemning it in the next upon the basis of "great American principles." What President Coolidge thought he could have was the trade and the principle, too. The hypocrisy of this position, which the American government still maintains, is transparent. The American gov-

ernment and the American courts have within recent years conceded the validity of numerous acts of Soviet authorities which at one time it would not have allowed in the case of an unrecognized government. Partly as a result of the commercial activities of Soviet representatives in this country, the United States today is Russia's second best customer.

Specifically the United States has opposed recognition on the ground that the Soviet government has repudiated the Kerensky loan made by the United States during the World War; and that it has confiscated without compensation property of American citizens. Finally we have opposed Soviet recognition on the ground that the Third International carries on communistic propaganda within the United States. Do these objections have any merit?

In a note of December 1923, M. Chicherin, Soviet Commissar for Foreign Affairs, informed President Coolidge of the "complete readiness" of his government to negotiate in regard to these matters, and to accept the principle of mutual non-intervention in internal affairs. To this Mr. Hughes, who was then Secretary of State, replied in characteristic manner, that there was no reason for negotiation. If the Soviet government was ready to restore confiscated property and pay its debts, it could do so without any conference. Nevertheless the United States did not demand that the Allied governments unconditionally pay their debts contracted during the World War. Instead we negotiated debt agreements with fourteen countries, scaling down our claims in some cases by half or more. Now the debt owed by Russia to the United States stands upon exactly the same basis as these other debts. If the United States could negotiate with the other governments in regard to such debts, how can it logically refuse to negotiate with Russia?

It is true that the Soviet government, impelled by a religion of Communism, confiscated the property of many foreigners in Russia. Some of these foreigners have

waived their claims and have resumed business with Russia upon Soviet terms. Other foreigners are settling their claims outside of diplomatic channels. Thus the Shell Transport Company of England recently agreed to buy Soviet oil on condition that it be given a rebate on the price as reparation for oil properties confiscated by the Soviet authorities. It is probable that this method of settling old claims will be followed by other concerns. A bridge between private capital and state Socialism is gradually being built by direct negotiations between the Soviet authorities and foreign business men. Within recent months some of the largest corporations in the United States have entered into contracts with the Russian Trade Monopoly. Thus the International General Electric Company has extended to the Soviets a six year credit of more than \$20,000,000 for the purchase of electrical machinery. The Soviet has also recently signed a contract for the purchase of Ford cars worth \$30,000,000. Many American concerns have recently agreed to send engineers and other experts to establish factories in Russia and otherwise assist in the success of the Soviet experiment. The great majority of American business men who have had relations with the Soviet authorities are satisfied with the treatment received. If the most responsible industrialists in the United States can thus associate themselves with the Soviet régime, how can the American government logically decline to recognize this régime on the ground that it cannot be trusted to treat American private interests fairly?

Finally, there is the question of communistic propaganda. The Soviet government is ready to give pledges against this propaganda, but the United States is apparently unwilling to accept these pledges, on the ground that they will not be kept. We point to the broken pledges made by the Soviets to other countries. The defence of the Russians is that this propaganda is carried on by the Third International and not by the govern-

ment. As a matter of fact Russian propaganda has become serious only in China and the Middle East. And it is doubtful whether Communism alone can be blamed for Russian propaganda in these two areas. This propaganda is merely the continuance of the historic rivalry between Russia and the British Empire for predominance in the East. There is no doubt that many orthodox Communists believe it to be their duty to carry the gospel of Leninism into every part of the world, but their zeal has already brought them into conflict with the more conservative Russian authorities. Even if propaganda continues, there is no danger that it will do damage to the capitalistic world, as long as the capitalistic world treats its laboring classes with a minimum degree of decency. The United States is not justified in accusing Russia of violating anti-propaganda pledges until after those pledges are actually given. And even if violations of such a pledge should occur, does any one seriously believe that communistic propaganda would shake the stability of American institutions?

We suspect that the real reason for the past failure of the United States to recognize Soviet Russia is the fear of parochial-minded politicians, business men and labor leaders that the success of Bolshevism might mean disaster to the system of private capitalism in the United States. The larger corporations and the banks do not share these fears any more than does informed opinion generally. But so successful has been anti-Soviet propaganda in this country that many still stand in terror of the Bolshevik bogey. Another reason is the pressure upon the government of labor leaders whose unions have felt the disrupting influence of Communist policy in this country. Nevertheless this influence has been defeated by the stronger and more progressive unions, and the more intelligent union officials feel capable of dealing with it without attacking proposals of recognition. Certainly the choice between recognition and non-recognition

can make little practical difference to American unions; if they do their job well, the Communists have little chance to seize the leadership in either case.

The advantages of recognizing Russia are manifold. American recognition of Russia would increase the mediatory influence of the United States over Soviet foreign policy. Recognition, accompanied by increased commercial intercourse, might tend to moderate the intransigence of the Soviet regime. Already Communist propaganda in Europe and America seems to be much less aggressive than it was five years ago. The chief concrete material advantage of recognition is that American loans to Russia would become possible. A loan would be advantageous to American investors, while it would contribute to the success of the Russian five-year plans. A loan would bring to the United States increased concessions, contracts, and trade.

It is foolish to state that in recognizing Russia the United States would place its moral imprimatur upon the Soviet régime. The United States recognizes Mussolini and other equally ruthless dictators without assuming any responsibility for their acts. The peace of the world and the self-interest of the United States would be advanced by the early recognition of Russia. President Hoover has shown extraordinary ingenuity and courage in handling the problem of naval disarmament. We earnestly hope that he will use some of his courage in solving the Russo-American problem.

WHAT SHALL WE DO ABOUT RUSSIA?⁶

We are a foggy industrial city situated on an inland sea. We have lovely homes in gardenized suburbs on "the heights," filthy foundries in "the flats," a past that has bequeathed us a deserved reputation for municipal pro-

⁶ From article by Brent Dow Allison. *World Tomorrow*. 14:290-2. September 1931.

gressiveness if not the Single Tax, and the most sociable habits of cooperation—at least in minor matters. In a word, our virtues are too numerous to itemize, even tho we own to a large and growing army of the unemployed begging on the streets. We have done little to mitigate the condition of that army and less to put it to work, except, of course, to pass the buck to the annual Community Fund drive, which went “over the top” this year with exceeding *éclat*—allegedly, tho not entirely, because of the fear of Communism. Now the Community Fund, as history will have it, is supported most munificently and conspicuously by exactly the same people whose competitive industrial policies and narrow political principles have created the unemployment, and who have recently mobilized the rugged individualists of the legislature (mostly rural) to defeat the rising demand on the part of the ragged individualists of the city streets and their friends, the harmless, respectable middle-class, for the intervention of the State to the end of requiring industry by law to find a way to stabilize itself or, failing that, to insure its principal victims against the merciless ravages of the machine.

The unemployment insurance bill, introduced at the last session of the State Legislature with distinguished support and much publicity, was not permitted even to reach the stage of general debate on the floor of either House. Like other temporarily obscured but not lost causes, it was suffocated in legislative committee under the auspices of the august representatives of the Chambers of Commerce assembled for that purpose. Meanwhile, we live in the glorious renewal of summer and in the feeble faith of a long-predicted general business “pick-up,” suspiciously delayed. Oddly enough, the little pick-up we have been able to detect in employment during the last twelve-month—it is less than three-tenths of 1 per cent—has come, principally, from an unmentionable or execrable quarter—a quarter which no sensible person

would have considered possible two years ago. It has come, to be brutally frank, direct from Moscow thru the welcome intervention of Amtorg and the munificent, gilt-edged, cash contracts for goods and services which that Mephistophelian agency has lately been awarding. More than six hundred firms in the fat but not prosperous valleys of the Ohio and the Mississippi have received these ruddy and unexpected Soviet windfalls within a year, and their value already totals well over seventy million dollars. Is it any wonder that our best people are discussing the "Gaypayoo" and *Humanity Uprooted* over their cocktails and bridge at the country-clubs?

However deplorable, it is wholly natural therefore, that the Middle West is becoming acutely Russia-conscious. Every meeting and lecture on the subject, under whatever auspices, in our city is packed to the doors. Nothing can stop the discussion, not even the "polizei," nor the reserved gentlemen of the Chamber of Commerce who are distinctly embarrassed by one of history's major contemporary ironies—so embarrassed that they will not talk. They preserved a stony silence about the situation while the Communist hunger-marchers converged upon the capitol. For the rest, not only the directors and technical staffs of our largest engineering concerns and some of our principal factories which are seeking further contracts for goods and services to be supplied to the sinister Soviet despotism—not only these, but the public generally, the leaders of the churches, the press, and even the schools, are studying the new books on Russia, pondering the Soviet enigma, and asking themselves questions not easily answered. They are wondering whether American opinion has been correctly informed about the Soviets, whether American foreign policy toward Russia has been prudent or far-sighted, wise or worthy of American traditions, and if not, what that opinion and policy ought to be.

A short time ago Congressman Fish visited our city and discussed "The Menace of Communism in America"

before a large and lively audience at the City Club. He was heckled liberally, but stood his ground in the shadow of the flag, not firing until fired upon, manfully defending himself and the reputation of Congress as "the best government on the face of the earth."

It was pleasant to hear a Congressman who gives an impression of consistency; who does not "vote dry and drink wet" on the subject of his public discourse. Hating and fearing Soviet Russia as a declared enemy of many of our most sainted institutions, believing that its economic success will spell its political triumph, and that American engineering skill and American machinery are principally responsible for the achievements of the Five-year Plan to date, Congressman Fish emphatically condemned those who are dealing with Soviet Russia for reasons of private profit as guilty of "trading with the enemy." Warning us that Russia, armed and equipped with American machinery and methods, is preparing to capture the markets of the world from American producers of cotton and wheat and oil and other basic goods, the speaker called for an official economic and political embargo against all intercourse with Soviet Russia, and demanded the outlawry and suppression of the Communist Party in the United States.

It is easy to agree with the bold Congressional prophet as to his first contention, and to believe that the private-capitalist, competitive, speculative, mass-producing industrial system may easily commit suicide by its own lack of any coordinated social or industrial plan and by the failure of the political machinery of the democratic state to cope successfully with the evil consequences of the vast aggregations of power and wealth which are in recklessly competitive or monopolistic hands today. But we differ diametrically with Mr. Fish as to what we ought to do first about Russia.

If we fear the effects of the rising belligerency of Soviet Russia and of a social and economic system that

would undermine democracy; if we condemn a system which denies all the rights of dissenting conscience, the freedom of the press, the equality of persons before the law, and of an independent judiciary which disrupts the family, derides religious and moral idealism, denies even the freedom of personal movement and the most elementary respect for equal civil rights—if we deplore all this and dread its consequences, the one logical, constructive measure that has not been tried would be to conclude peace with Soviet Russia. It would be to resolve to make friends of the Russian people who are suffering under this most comprehensive and peculiar tyranny of centuries and, thru friendly intercourse, to help them to put an end to the terrible evils of their system and to adopt some of the well-known liberties and securities of ours. And this, by the irony of tragic fate, is what we have neither done, nor made any effort to do, from 1917 until the present hour. Why, then, hasten to proclaim the necessity of renewed blockade and war, when a reasonable and courageous policy of making peace has never been tried?

It appears, upon investigation, that our national policy toward Soviet Russia has been almost scandalous from the very beginning. We started with a false assumption based upon a complete misconception of the facts, to say nothing of the psychology of the Russian people and of the European Socialist movement. We believed, or pretended to believe, that Lenin and Trotzky were secret agents of the German government in 1917, employed and transported by the Kaiser for the destruction of Russia during the World War. Our semi-official agents in Russia prepared, or bought, and issued a series of disgraceful forgeries to prove the charge. (I refer to the notorious Sisson documents published by the Creel Committee.) When we began to discover that all this was a fabrication, that the Bolshevik armed bands were, in fact, harrying the German armies in occupation of

Russia, and assassinating the German agents and proteges in the Ukraine, our military men then in Moscow, Colonel Ruggles and Captain Riggs (with the approval of Ambassador Francis, who had retired to the city of Vologda) secretly offered arms to Trotzky, then commander-in-chief of the new Red Army! A little later when our Allies, the Czecho-Slovaks, perversely began to fight their way westward against the Red Guards instead of clearing out of Siberia as they had promised to do, they found their progress blocked along the Volga by Trotzky and his men, armed in part with American rifles!

But this is by no means all. Our policy rapidly went from bad to worse. Instead of replying to Lenin's offer of negotiations leading to a general European peace on the basis of the renunciation of all conquered territories and of all indemnities (had it been accepted this might have brought peace to Europe in the winter of 1917-1918, and prevented the horrible slaughters of 1918 in France as well as the post-war economic crises revolving about the reparations question) we ignored the appeal altho it was backed by the overwhelming sentiment of the Russian people, whose resolution to abandon the massacre nothing could alter. We elected to continue our war to the bitter end—to the disillusionment of Versailles.

It was this fateful resolution to crush Germany in the West which sealed the doom of democracy in Eastern Europe. Bolshevism seized the hour in the name of instant peace, beat back all its alien enemies, crushed its domestic opponents, and consolidated its octopus-grip upon the lives and resources of the Russian people. We in America, obsessed by the bloodguilt of the Kaiser and his government, could not see beyond the Rhine, supposing falsely that the line which divides Europe in twain was there instead of four hundred miles to the east, where it really is. Thus we fell—too easy victims

of the false propaganda painted for us by Allied politicians and publicists. We held fast to the mischievous hands of certain imperial powers, not daring to let go even when they dragged us into crime. In short, we made war against the rising Soviet power without any declaration of war or any authorization to do so by Congress. We have never yet made peace.

For this disaster, the world has paid—and America is paying today in the loss of Russian friendship—a grisly price. There is no room for doubt that the Soviet case, on the grounds of our military invasions, would stand up under the test of any competent international arbitration, and that the World Court, for example, would assess damages on this score against us. Under circumstances such as these, we have made our case worse by rejecting half a dozen offers of negotiation for a settlement. We have feigned an air of injured innocence, insisting that the Soviet government commit moral suicide and renounce the very principles of its existence before we can enter into any official relations with it. Such an attitude is both absurd and futile, for no revolution that is physically successful will renounce its principles. The United States would not do so in 1783, even tho we were induced, years later, to pay some compensation to the British subjects whose property was confiscated by our state governments in the course of the rebellion. Russia likewise will not renounce its revolutionary principles; but its representatives have repeatedly offered to clear away misunderstandings with us and to pay some compensation to the American citizens whose properties in Russia were appropriated by the early Soviet decrees of nationalization. What more can we expect? Fortunately, there are no Czarist debts to this country. The Kerensky government borrowed about 86 million dollars from us and spent most, if not all, of it in the United States to carry on our war against Germany—a war which the Russian

people had overwhelmingly repudiated, by the irony of history, at the very moment when the American government with naive ardor chose to project itself into the conflict. This debt, and even its accumulated interest, ought to offer no great obstacle to the successful conclusion of negotiations, if there were any real will to peace. How great the legitimate Russian claims are against the United States on account of its armed invasions of Russian territory is clearly a question for a court to hear and determine, a question of fact and of established international law. Who believes that the Russian authorities would refuse to accept the arbitration of the Hague Court concerning these questions? To do so would put them in a very bad light before the rest of the world.

It is time to propose, therefore, a right-about-face in our Russian attitude, to insist that a statesmanlike policy of peace with justice be given a chance to see what it can do. Soviet Russia hungers for financial credits. Our dollars are going begging. Russia is, as it were, a great economic vacuum into which the winds of surplus capitalism are rushing. Why stop them if they can be made to carry the message of democracy and the burden of peace? Why not carry forward a little propaganda ourselves for the institutions and ideas in which we profess to believe—ideas of personal rights and civil liberties and equality before the law? The Russian people have no correct idea of American life and government; they are fed upon a deadly diet of malicious propaganda, nourished by hatred. But this deplorable state of affairs need not continue; that it does is in a large measure our own fault.

There is great need in Russia for a kind of museum of American life and liberty. In New York City we have a Russian agency (the Amtorg) with hundreds of employes, pictures, maps, charts, and an active bureau disseminating information about Communist institutions,

Communist economy, Communist psychology. Why not set up in Moscow a similar American institution, representing our national Chamber of Commerce and our democratic conceptions of government and life, with capable representatives resident there, to sell them our goods and our ideas, to interpret our civilization to them? They must permit this if they expect us to allow them to maintain the Amtorg agency in this country.

I propose, therefore, to Congressman Fish and to the Department of State that we send a missionary to Soviet Russia with power to negotiate a full agreement on all outstanding points of difference. I would make Senator Borah our envoy extraordinary and plenipotentiary to Moscow, dispatching him at once with a capable staff.

Such is the policy of peace with Russia which I advocate. I would go further and set up a credit of several million dollars for the Soviet government in this country, as a means of accelerating trade and relieving unemployment. I would do all this in the name of peace before I admitted the necessity of war. Why proclaim the latter when peace has not been tried, particularly when the "enemy" has a good case against us? Moreover, as Judge Moore, formerly our distinguished representative in the World Court, declared, we have already recognized Soviet Russia in terms of strict international law by having admitted her to partnership in the Kellogg Pact, which can never be successfully applied in any major crisis without her collaboration.

The choice that lies before us is war or peace with the greatest power in Europe and the largest politico-economic unit in the world—Soviet Russia. If it is to be war, then Congressman Fish is right, and we should lay down an absolute embargo and boycott, for it is indefensible for individual Americans to do profitable business with a country that our government regards as a national enemy. The other alternative is a policy of

mutually advantageous friendship, of peace with justice, of understanding and forbearance on both sides.

Is it too much to hope that the growing interest in Russia which has taken manifest root in the cities of the Middle West—no matter whether it is due to commercial cupidity or to a sincere intellectual curiosity—will eventually culminate in the attainment of so desirable a goal?

SOVIET ECONOMIC POLICIES: THEIR RELATION TO AMERICAN POLICY OF NON-RECOGNITION OF THE SOVIET GOVERNMENT¹

The present situation in Russia is too complicated, too vast, too bewildering to lend itself to accurate appraisal. One reason why a correct evaluation of the Soviet experiment is difficult at present is that the Russian revolution is without parallel in history. What has happened in Russia is not merely the overthrow of an existing political order, or the inauguration of drastic social changes. That alone is not the Russian revolution. The overthrow of the monarchical régime was only an incident in that upheaval. The economic system instituted by the Soviet government, revolutionary as it appears, is, in relative terms, only a far-reaching change. The real revolution as it is understood in Russia has just begun and is gathering force as it sweeps on. This revolution is not only forging a new political order, a new economic system, in both of which the worker is the central figure; it is making a new mind. It is a revolution that is setting up new standards, new values, new relationships, new morality. The human mind is baffled by the new ideas that the revolution is forcing the Russian people to accept.

¹From an article by Samuel Cahan, Department of Journalism, Syracuse University, in *Some Aspects of the Present International Situation*, Vol. 138, July, 1928.

Who, therefore, can make an accurate appraisal of what is taking place in Russia at present? Who can give a picture of the whole? I doubt whether the most brilliant mind in Russia could analyze accurately the currents that are shaping developments in that country. It is only some of the more tangible economic aspects of the Russian revolution which are beginning to crystallize that lend themselves to a fair statement. With these outlines now emerging out of the maze of Russian phenomena, I propose to deal.

There are two distinct aspects to Soviet domestic economic policy, that is, rural-agricultural and urban-industrial. Both these aspects, while tending in different directions, are shaped by the Soviet government to harmonize with its efforts toward the realization of its objective, the Socialist state. The urban-industrial phase is clearly the proletarian division of that policy, the dominant feature of which is a militant tendency toward socialization of every phase of commerce and industry. Events in the last two years have shown unmistakably that the Soviet government, already in control of what it describes as "the commanding heights of industry," which includes all the basic industries, transportation and everything else that is profitable and important, has embarked upon a vigorous effort to stamp out entirely the limited private enterprise that still lingers under the New Economic Policy. In other words, the object of its urban-industrial policy is complete socialization of urban economy.

Vastly different is the rural-agricultural aspect of Soviet economic policy. Whereas in its urban-industrial policy it strives toward economic socialization, its rural-agricultural policy is directed toward the enrichment of the individual peasant. The immediate outcome of such a policy, regardless of whatever the Soviet government hopes to gain by it in the future, must yield results diametrically opposite those the government strives to

obtain in the city, and yet it makes a deliberate effort to stimulate in the peasant the desire to increase his personal holdings, and does everything it can to help him in the process. The government helps the peasant by extending him credit facilities, by improving his methods of farming, by reducing his burden of taxation, by supplying him with agricultural machinery and teaching him to operate it. The government even teaches the peasant the ways of thrift, telling him that that is one of the most effective ways in which he can accumulate wealth.

TWO ASPECTS OF ECONOMIC POLICY

What is behind these two aspects of economic policy so divergent in aims? If individualistic, bourgeois tendencies are proscribed in the city, why are they tolerated in the village? On the face of it such a course seems contradictory, but Soviet policy in this respect is consistent with the domestic phase of the so-called theory of the Permanent Revolution, without which the Socialist state cannot be achieved. It will help us greatly in the understanding of this problem if we keep in mind one fundamental principle of Bolshevist doctrine, namely, that the Soviet Union is a Republic of Workers and Peasants, in which it is the duty of the worker to guide his less advanced brother, the peasant, toward the realization of the perfect Socialist state. This is one of the important principles of the Permanent Revolution. The corollary to this doctrine is that the worker, if he is to perform the historic role prescribed for him by the permanent revolution, must be qualified to assume leadership. What are the qualifications which the worker must possess for this task? The qualifications are many, but the chief of these is a rigid class consciousness. But even in Russia, where class consciousness is stronger than in any other country in the world, even there the worker is not sufficiently class conscious, or socially minded from the revolutionary point of view, to assume immediately

the task which the permanent revolution prescribes for him. Therefore, to prepare the worker for the leadership which he is as yet reluctant or unqualified to assume, the Soviet government sets in motion every possible agency, cultural and economic, to socialize urban and industrial life. This socialization aims further than community of economy; it aims at community of mind, especially as regards the worker in order to prepare him for the leadership of the peasant in the Permanent Revolution.

SOCIALIZATION OF THE PEASANT

I have tried to show what is behind the renewed effort toward economic socialization in the city. But why does the government make a specific effort to enrich the peasant, since it is obvious that such a course will stimulate in the rural population tendencies which are directly the opposite of socialization? The answer is that the Soviet government is willing to make sacrifices now in order to gain more in the future. How? The only way the peasant can increase his holdings is by increased production; increased production by the peasant means increased export which is controlled by the government; increased export controlled by the government means increased revenue and this increased revenue means needed capital for the expansion of manufacturing industry, which is the greatest need of the country today. A greater manufacturing capacity means a greater capacity to cope with economic and social problems, including the greatest problem confronting the future of the Socialist state, the socialization of the peasant.

The Soviet government is not deceived as to what it may expect from a peasant who accumulates property in his own name. It realizes that a petty bourgeois development is one of the inevitable by-products of its rural-agricultural policy, but it is resigned to the fact that, for the present at least, it is in a dependent position and cannot afford to quarrel with the peasant. There

will be time to mold his social and economic views, but for the time being he is the goose that lays the golden egg. Therefore, the benefits to be derived from the present course are worth the risk which toleration of the peasant's economic individualism involves. In a sense it may be said that in its rural-agricultural policy, the Soviet government is gambling on the prospect that while it is strengthening the peasant economically, it will strengthen itself more adequately for the coming struggle with the very peasant it now seeks to enrich.

Quite different is the situation in the urban centers which are dominated exclusively by the workers, under the direction of that amazing political organization, the Communist party. The Soviet policy toward the peasant is, of course, the policy of the Communist party. Whatever success that policy achieves the future will show, but that the efforts toward economic socialization in the city are effective, that urban-industrial Russia is marching irresistibly toward Socialism, there can be no doubt.

NEW ECONOMIC POLICY

The progress toward economic socialization in the city brings up the subject of the New Economic Policy, which is the best barometer of the progress in the direction of Socialism in urban-industrial Russia. The New Economic Policy was heralded by many observers as the beginning of a gradual return to capitalism. It has been one of the complaints of Socialists outside of Russia that the most the Soviet government has achieved is a certain degree of state capitalism. This is the strictly dogmatic point of view that loses sight of the powerful and significant forces now at work in Russia, especially in the cities. To claim that the New Economic Policy is a surrender on the part of the Soviet government to capitalism is to misunderstand the real purpose for which the New Economic Policy was inaugurated and to exaggerate its importance as an economic factor in the

life of the country. The New Economic Policy is an expedient, a temporary measure, which, from the point of view of the Soviet government, was to perform a definite mission and then give way before the advance of the Socialist state. That is precisely what is happening in urban-industrial Russia at present.

If we are to understand the real purpose of the New Economic Policy and thereby have a clear view of what is happening in urban-industrial life in Russia at present, and to enable us to form some judgment with regard to the future, it will be necessary to review briefly the events of the early days of the Soviet government, particularly with reference to the extent of the Soviet program of nationalization, and what that program implied.

Here was a government setting out to build the socialist state in a vast country ruined by war, revolution and plague. Despite these unfavorable conditions, those who initiated the experiment insisted upon trying out a maximum of the Marxian Program. Herein was the greatest error of the Leninist group. Their historic opportunity was to lay the foundation for the Socialist state. Insead, they instituted military communism. Then, having done so, they proceeded in a direction entirely consistent with their aims, the chief of which is economic socialization of everything.

APPLICATION OF SOCIALIZATION

It is really difficult for people outside of Russia to comprehend the extent to which this socialization was carried. This nationalization, or socialization, as the Soviet leaders called it was applied not only to the tools of production, to land, natural resources and basic industries; it extended to all real and personal property as well. Every cent in all banks became the property of the Government of Workers and Peasants. The smallest, most insignificant business was brought under the con-

trol of the government, and all private trade and all private industry was wiped out. What did such a sweeping measure imply? It implied that the government arm was going to reach out into every corner of that vast land and fill the places formerly occupied by private individuals. In other words, the government became responsible for the operation of all railroads, and the government also became responsible for the operation of all grocery stores in Russia. The government had to do all the manufacturing, build locomotives, ships, construct bridges, rehabilitate its entire transportation system ruined by civil war, and it also undertook to manage the nation's supply of snuff tobacco.

What should the government have done? Should it have concentrated its energy on the rehabilitation of the country's heavy industry, upon which depended everything, or should it have attended to the petty trade which was the immediate need of the masses of the people? But the Soviet government was not to be diverted from the pursuit of its main purpose, the building of the Socialist state. It concentrated its energy on those phases which were fundamental to the larger problems of the national economy. With these larger aspects of industry it coped more or less successfully from the beginning, but in doing so it neglected the immediate needs of the people. I will not go into accounts of Militant Communism, food requisitions, uprisings and distress which resulted from such a policy. These facts are ancient history and like all ancient history, considerably embellished. That there was misery and suffering there is no doubt. Then the Soviet leaders said to themselves substantially this: "Communism does not mean that the government should strangle itself by orthodoxy. There is no reason why the government in its effort to build the Socialist state should waste its energy in attending to the petty details of the national economy, which requires a huge apparatus for its operation. This is a time when the

government needs every ounce of energy for the larger task, the securing of the Socialist state, and it cannot afford to insist on dogma."

DECREE REMOVING PROHIBITION AGAINST PRIVATE EXCHANGE OF GOODS

Then in 1921 was published the decree removing prohibition against private exchange of goods. It might be imagined that there was a popular response to take advantage of that decree. There was.

But those who sought to engage in private trade soon found that everything that was important and profitable was a rigid monopoly in the hands of the government and the only thing that was left open to them was a small part of the retail trade. In other words, this decree, which some interpreted as a return to capitalism, permitted the private entrepreneur to own a grocery store, a restaurant, a small business dealing in the most elementary necessities on a small scale.

The admittance of private persons to petty trade was the shrewdest move of the Bolshevik leaders up to that time. Here was a measure of their own device which accomplished just what they needed. The New Economic Policy provided the machinery to deal with a vexing economic problem; it shifted the responsibility of caring for the immediate needs of the people from the government onto the shoulders of private individuals. This problem of petty trade was a source of aggravation and discontent. The inability of the government to care for the immediate needs of the people served to emphasize and to magnify the discrepancy between the desires and needs of the people and what the government was forcing the people to accept. But by a wise move in inaugurating the New Economic Policy, the Bolshevik leaders had gained a breathing spell without surrendering anything real. The substance of the whole matter is that, instead of it being a surrender, as some observers

interpreted it, the New Economic Policy was a riddance, a shifting of responsibility for a situation which caused the government a great deal of anxiety and the people much suffering. All one has to do to convince oneself of the negligible role of the New Economic Policy is to walk thru the main business and industrial districts of Moscow, Leningrad, Kief, Kharkov, Odessa, and other industrial centers of Russia, and see who owns everything, who controls everything that looms large in the national economy. The private trader is confined exclusively to a limited field in retail distribution. From production even on a small scale he is barred by the very nature of the control that the Soviet government exercises over credit and raw material.

SAFEGUARDS OF THE POLICY

There is also this aspect to the New Economic Policy. The government did not simply say: go ahead and trade as you like. Around this privilege it threw a series of safeguards, social, political and economic, which guarantee that the New Economic Policy will never go beyond the purpose for which it was intended. It stipulated, for example, that no private person may employ more than twenty workers in any manufacturing enterprise. But such a provision was quite superfluous. Very few private individuals in Russia came thru the revolution with sufficient capital to enter production activities on a scale that would require the employment of twenty workers. The private trader did whatever he could with the little money he had, but when it came to manufacturing even on a small scale, the native Russian found all avenues closed to him.

The private business man, therefore, is confined to a limited sphere of the retail trade, and even there he is beginning to lose ground steadily. The government and its ally, the cooperatives, after five or six years of progress in the heavy industries, now find themselves with

sufficient resources to enter effectively into the field of retail distribution. The New Economic Policy, as far as the government is concerned, has outlived its usefulness and has entered upon a period of amortization. Let us glance at these figures which tell us something of the scope of each, the government, cooperative and private business enterprises, and also indicate the trend of each.

From these figures it may be seen that while state and cooperative enterprises are gaining steadily, private enterprise is losing ground. This receding position of private trade is no accident. Its decline is consistent with the original plan of the Soviet government. On this question at least, the Soviet government has been less opportunist than on many of its other policies. The problem of economic predominance is so fundamental to its urban-industrial policy that upon it the Soviet government is not wavering to any appreciable degree. While there might be slight deviations from time to time, the goal toward which the Soviet leaders are striving is complete amortization of the New Economic Policy, with its logical consequence, the economic socialization of urban and industrial life as soon as possible.

STATUS OF PRIVATE BUSINESS

From all this it is not difficult to conclude as to the status of private business under the New Economic Policy and also to deduce some conclusion as to its future. This conviction that private trade in Soviet Russia is bound to disappear becomes even more apparent from personal observation in many cities in Russia and from conversations with scores of struggling tradesmen. I feel that I am taking no great risk in saying that, barring unforeseen developments, private trade and commerce in Russia will be extinct within the next decade.

It is not likely that the government will abolish private trade by special decree. There are other factors which will bring about its disappearance. The first of these is

the competition of state and cooperative enterprises. Another weapon which the government is using against the private trader is taxation. That the power to tax is the power to destroy is taken by the Soviet government as a wise political doctrine, and it uses that weapon with great effect even at the present time. The Soviet government also limits the civil rights of persons engaged in any pursuit for private profit. Any person who enters the ranks of the Nepmen, as private traders are known in Russia, automatically disqualifies himself from all rights, privileges and duties of citizenship, because the basis of citizenship in the Union of Soviet Republics is productive toil. The function of the private merchant does not come within the Soviet definition of productive toil.

The most effective weapon, however, against the private trader is social ostracism. In this there is probably the most striking indication of the progress made in Russia in the struggle against the money motive as a driving force in human society. The private trader is the object of popular contempt. There is absolutely no glory in possession of wealth in Russia. Quite the contrary. Socially, wealth is a handicap. The social standing of the Nepmen is, in a way, similar to that of the bootlegger in law-abiding American society. Of course, socially, the position of the Nepman is pathetic, but he manages to live well. Most of the Nepmen live in greater comfort than the president of the Soviet Union. But they live on the fringe of society. They are on the outside, looking in—looking in not with longing, but with scorn and disdain. The Nepman says: Your government is no government; your society is no society; your elections are no elections, and your morals are no morals.

You can see, therefore, that even if trade figures at present showed up better in favor of private trade, such social conditions as I have described are not conducive to the development of private enterprise. The feeling against private profit making will become even more acute

with the rising of the young generation who are taught that private trade is an unnecessary evil.

A pertinent question that might be asked at this point is: if the tendency toward Socialism is so pronounced, what about the present efforts of the Soviet government to attract foreign capital under its concession policy? The answer is that capitalist exploitation under concession agreements is altogether a different phase of Soviet economic policy. The discrepancy in attitude of the Soviet government toward foreign capital functioning in Russia under concession agreements, and private capital operating under the New Economic Policy may be summed up thus: The Soviet government is willing to encourage foreign capital, which, while earning profits for foreign investors, is at the same time helping to strengthen the country economically, but the state will take no chances on developing a native capitalist class. Foreign capital operating in Russia will liquidate itself under the terms of the concession agreements under which it functions, and domestic private capital operating under the New Economic Policy might in time become a political danger.

Does it not seem inconsistent that a government which is avowedly striving toward Socialism should offer extensive opportunities to private capital? It seems strange, but the answer is that the Soviet Leaders are practical statesmen. They are willing to sacrifice some of their principles now in order to gain something in the future.

IS FOREIGN CAPITAL SAFE IN RUSSIA?

The question is frequently asked: is foreign capital safe in Russia? I think it is at present the safest field for foreign investments. It is not necessary for us to enter into discussion as to the personal character of the Soviet leaders, whether they can be trusted or not. The best guaranty for foreign investments in Russia is the very nature of conditions facing the Soviet government. What

are these conditions that make foreign investments in Russia secure? It might be well to examine them briefly. As a simple proposition it might be well to remember that the government is pledged to the betterment of the condition of the workers and peasants. Regardless of the blessings which Socialism will bring to the children or to the grandchildren or to the tenth generation of Russians, those Russians who live there now are not content entirely with promises for the future society. The government, therefore, must strive constantly to improve cultural and economic conditions of the people. Upon that improvement depends not only the future of Socialism, but the very existence of the Soviet régime. The only means for the immediate improvement of the condition of the masses is thru economic progress and economic progress in the Soviet Union will be relatively slow unless the government can attract foreign capital. Is it unreasonable to believe, therefore, that a government whose stability depends upon its ability to improve the life of the people, will do anything that would discourage foreign capital from functioning profitably and safely in Russia, that capital being the best means of insuring contentment among the people? Also is it unreasonable to believe that, for the same reason that I have cited, the Soviet government would carry out its credit obligations with the most scrupulous punctuality? Credit and foreign investments being means by which the Soviet government can best strengthen its position, is it reasonable to believe that it would do anything that would destroy that credit and confidence? Russia is a safe field for foreign investment for yet another reason. Strange as it may seem, it is nevertheless true that the Soviet government is in a better condition to meet obligations than any other country in Europe. It is the only country in the world in a position to balance its budget because of the monopoly it exercises over foreign trade. It is the only country in Europe living within its means. It is the only

country in Europe that is functioning on a pay-as-you-go basis.

The Soviet government is charged with many vices, some real and some imaginary. On one thing at least there is agreement, namely, that the Soviet government has not defaulted a single financial agreement it has made itself, both in its concession policy and in its credit obligations.

The most striking example of the desire of the Soviet government to deal squarely with foreign investors may be found in the controversy over the Sinclair concession. Mr. Sinclair sued the Soviet government in Soviet courts and recovered a sum of money which he deposited with the Soviet government as guaranty for the carrying out of his part of a concession agreement to exploit oil resources on Sakhalin Island. While I was in Germany last summer I had opportunity to discuss this case with several prominent German jurists who were familiar with the details of the Sakhalin concession. They expressed amazement at the findings of the Soviet court, ascribing the verdict in favor of Mr. Sinclair to the desire of the judges not to lend their government to misrepresentation abroad, knowing that a verdict in favor of the government, to which, it would seem, it was clearly entitled, would give its enemies abroad an opportunity to hold up the Soviet government as confiscator and thief.

RELATION TO AMERICAN FOREIGN POLICY

Another aspect of the Russian situation which is fraught with the greatest significance is its relation to American foreign policy. The Soviet government is anxious to gain recognition from the United States. To gain that, the leaders of Russia have declared repeatedly that they are willing to bring about a satisfactory settlement of all claims as stated by Secretary Hughes in 1923. But the State Department to this day reiterates

Mr. Hughes' pronouncement, ignoring all overtures of the Soviet government.

It is not my object to advocate recognition of the Soviet government. The chief reason why I am bringing it up is that refusal of the American government to recognize the Soviet régime is relevant to the subject insofar as the trend of affairs in Russia is closely related to American policy of non-recognition of the Soviet government. It is relevant because the chief obstacle to Russo-American rapprochement is not so much a question of debts, compensation for confiscated property or propaganda, altho these are factors. The chief obstacle is the foreign trade monopoly of the Soviet government and herein lies the most significant aspect of Russo-American relations, or rather, the absence of such relations. Let it be clearly understood that it is not my purpose to criticize American policy toward Soviet Russia. I can see a good deal of consistency in that policy, but it will do no harm if we make an attempt to understand its meaning.

Why is the foreign trade policy of the Soviet government the chief obstacle to American recognition? Because the administration at Washington, it would seem, is determined to withhold recognition indefinitely, unless the Soviet leaders modify the monopoly of foreign trade. This, however, is extremely unlikely because the Soviet control of foreign trade is the very cornerstone of the entire system of the Russian state. The Soviet monopoly over foreign trade is the lever by which the government controls capitalist tendencies within Russia. Thru its control of foreign trade the Soviet government is enabled to balance its budget, to control consumption, and regulate distribution. Abandonment of the monopoly over foreign trade would open the way for the disintegration of whatever there has been accomplished in the building of the Socialist state. These facts are well known to the Administration at Washington and especially in the department of commerce.

Rapprochement between the United States and Soviet Russia, therefore, is not a prospect of the immediate future. How long the Soviet government can hold out against American policy of non-recognition will depend upon the degree to which Socialism proves to be a workable system of society, and upon the patience of the Russian people in enduring economic hardships while upholding the policies of their government.

SOVIET RUSSIA'S CLAIMS AGAINST THE UNITED STATES⁸

The American military intervention in Russia in 1918-1919 constitutes an important element in the past and present relations of the Soviet Union with the intervening powers, and moreover furnishes the basis for a bill of damages which the Soviet government has compiled for future presentation to the United States for payment.

The Soviet position was first stated definitely by George Chicherin, commissar for foreign affairs, at the Genoa Conference of April, 1922, in connection with the financial claims of the other States against Russia, totaling some \$13,000,000,000:

The British Premier tells me that if my neighbor has lent me money, I must pay him back. Well, I agree, in that particular case, in a desire for conciliation; but I must add that if my neighbor has broken into my house, killed my children, destroyed my furniture, and burnt my house, he must at least begin by restoring to me what he has destroyed.

Chicherin contended that the governments which had sent troops and munitions to Russia in the civil war period had thereby committed an act of illegal intervention and should be held responsible for the resulting damages. He calculated that the bill totaled about \$60,000,000,000, consisting of direct property damages, \$6,106,580,000;

⁸ From an article by Frederick L. Schuman, Department of Political Science, University of Chicago. *Current History*. 32:911-18. August, 1930.

indirect internal losses and pensions, \$5,635,745,000; losses in foreign trade or thru reduced industrial and agricultural production, \$7,780,110,000; and the balance in other unspecified indirect losses. The other States refused to admit the validity of any portion of these counter-claims. On May 11, 1922, Chicherin announced, as his last word, that the Russian delegation "declared itself ready to accept liability for the payment of (pre-war) public debts, provided that the damages caused to Russia by the allied intervention and blockade be recognized." No agreement could be reached and the conference broke up in failure. In the subsequent negotiations with individual States, after the general diplomatic recognition of the Soviet government in 1924, the deadlock on this point remained unbroken. The Soviet Union has in no instance undertaken to pay the debts of the Kerensky and Czarist régimes without this condition. The former allied governments have in no instance recognized any obligation on their own part to indemnify the Soviet Union for the losses arising from the intervention.

The United States was not represented at the Genoa Conference, and has withheld diplomatic recognition from the Soviet government on the ground that it is not the type of régime with which it is possible to maintain normal relations. In support of this contention, the State Department cites the Soviet's repudiation of Russia's debts, its confiscation of foreign property and its encouragement of revolutionary propaganda abroad.

The American government has never admitted that its own financial claims against Russia are a suitable subject for negotiations. These comprise, without interest, the \$189,729,750 advanced in war loans to the Provisional government in 1917; the \$86,000,000 in Czarist bonds held by American citizens, and the somewhat uncertain sum, estimated at \$300,000,000, representing losses arising out of destruction or confiscation of property of

American citizens in Russia. The American government has also never admitted any financial obligation toward Russia arising from the intervention. The present Administration still adheres to the position stated by Secretary of State Hughes on December 18, 1923:

If the Soviet authorities are ready to restore the confiscated property of American citizens or make effective compensation, they can do so. If the Soviet authorities are ready to repeal their decree repudiating Russia's obligations to this country and appropriately recognize them, they can do so. It requires no conference or negotiations to accomplish these results, which can and should be achieved at Moscow as evidence of good faith. The American government has not incurred liabilities to Russia or repudiated obligations.

Has the Soviet Union a legitimate bill for damages against the United States? Upon the answer to this question depends, in part at least, the cogency of the reasons which the State Department has advanced for withholding recognition and the future course of our relations, if and when recognition is extended.

The answer to this question rests upon two further questions: (1) Was the United States a party to the allied intervention? (2) Was the intervention an unjustifiable violation of the rights of Russia under international law which obliges the governments responsible to indemnify Russia for the losses arising from their illegal action?

The first question is answered by the fact that the sending of allied military forces to Russia in the Summer of 1918 was undertaken at the express invitation of the United States, altho the original suggestions which came from Great Britain, France and Japan were for more than half a year opposed by President Wilson.

An American proposal for limited intervention was addressed to the British, French and Italian governments, on July 17, 1918, after its transmission to Japan and an understanding was reached by exchange of notes. This was followed on August 3, 1918, with the issue by Frank L. Polk, Acting Secretary of State, of a public

announcement written by President Wilson, in which it was said that military action in Russia would be undertaken only to help the Czechoslovak legion and "to steady any efforts at self-governments or self-defense in which the Russians themselves may be willing to accept assistance." American troops were to be used only to guard military stores from the Germans and to aid Russian efforts at "self-defense." All this, it was asserted, "in the most public and solemn manner" did not contemplate any interference or intervention in Russian internal affairs or any impairment of Russian territorial integrity.

In practice intervention led to precisely what was disclaimed. "Self-government" meant the overthrow of Soviet power wherever the allied and American forces established control. "Self-defense" meant encouragement to the Russian people to repudiate the peace with Germany and the Soviet régime which had concluded it. "Guarding military stores" meant the invasion of Russian territory and the waging of unofficial war on the Soviet government. "Protection and help to the Czechoslovaks" meant turning over Siberia to the mercies of Kolchak, the White Dictator, and financing his campaign against the Reds. At Archangel 4,500 American troops cooperated with 6,000 British, 1,500 French and other smaller contingents in advancing some two hundred miles southward and fighting against the Red Army. In Siberia 7,000 American soldiers, under General Graves, sought to guard the railway to Kolchak's rear in order to facilitate the shipment of munitions to his army by the United States. As between warring Red and White partisans the Siberian Expedition sought, paradoxically, to maintain a semblance of neutrality while Japan, contrary to the original understanding, poured 73,000 troops into the Maritime Provinces. The United States participated in the blockade to the extent of forbidding all trade with territory under Bolshevist control from February, 1919, to July, 1920. From September, 1918, to

June, 1919, American forces in North Russia fought the Soviet troops, losing 244 killed and 305 wounded. From September, 1918, to April, 1920, American forces in Siberia guarded the railway, fought off bands of anti-Kolchak partisans, and helped make the territory a base of hostile operations against Moscow.

These activities, from the Soviet point of view, constituted military intervention in Russia by the United States. A policy which was begun as part of the war against Germany was continued for a year and a half after the armistice for the apparent purpose of bringing about the overthrow of the Soviet government. Its stated objectives were forgotten in what seemed to be an effort to destroy Bolshevism by invasion and blockade and by subsidizing and assisting the White Armies. Civil war in Russia was instigated and prolonged, with untold suffering, death and destruction to the Russian people. The outcome of intervention was miserable and ignominious failure. The Red Army drove out the Archangel invaders, captured and executed Kolchak, crushed the White Armies, broke the blockade and saved the proletarian revolution from what apparently were the efforts of allied and American governments to drown it in blood. For the Soviet authorities there can be no question of the fact of intervention nor of the United States sharing to the full in its consequences.

Every act of intervention is by definition such a gross violation of the rights of the victim that it can be justified only by extraordinary circumstances. If not so justified, the State which has suffered has a legitimate claim for damages. The circumstances which justify intervention were clearly stated by Secretary of State Webster in 1838 when Canadian forces had entered American territory to break up a rebel expedition which was about to recross the Niagara River. The United States then called upon the British government to pay damages or

to show a necessity of self-defense, instant, overwhelming, leaving no choice of means, and no moment for deliberation. It will be for it to show also that the local authorities of Canada, even supposing the necessity of the moment authorized them to enter the territories of the United States at all, did nothing unreasonable or excessive, since the necessity of self-defense must be limited by that necessity and kept clearly within it.

This principle has been generally accepted by the great powers as part of international law, and intervention undertaken for any purpose other than to meet an instant and overwhelming necessity of self-defense has been regarded as legally unjustifiable.

Did the United States and the Allies act in Russia in 1918 under such a necessity? It seems probable that few defenders of the intervention, even in the State Department, would answer this question put in these terms, affirmatively. The American government would of necessity put the question differently. It would, in the first place, dispute the legitimacy of referring to the policy of the United States as "intervention," pointing out that any intention of interfering in Russian internal affairs was expressly disclaimed, and that the military operations which followed were directed not against Russia nor even against the Soviet government, but against the Central Powers. These contentions, judged by official declarations of policy are true but in the light of the facts summarized above they scarcely seem so. It is difficult for the objective observer to escape the conclusion that the facts, apart from the declarations, did in reality constitute intervention as it is usually defined, namely, "interference by a State or States in the external affairs of another State without its consent, or in its internal affairs with or without its consent." (H. G. Hodges. *The Doctrine of Intervention*).

On the other hand, the United States can argue that intervention, even if admitted, was justified by the peculiar circumstances of the situation without reference to any necessity of self defense. In the practice of States there has been intervention on other grounds such as to

protect citizens abroad, to collect debts, to maintain international law, to terminate an unlawful intervention by a third State and the like. Intervention on these grounds is a high act of policy which, if successful, may not expose the intervening State to claims for damages. It might be argued that the Russian case comes under one or another of these grounds and that, even from a legal point of view, intervention was thereby justified. Further, it might be urged from a general political point of view that American participation served to limit the scope of the intervention and, in design and results, helped to preserve the territorial integrity of Russia against designs of other powers.

The Soviet Union, however, like other great powers in similar circumstances, rests its case upon the general legal principle noted above. From this point of view, which the Soviet government is perfectly justified in taking, it is difficult to find any very persuasive argument to place the allied and American intervention within the category of acts justified by an instant and overwhelming necessity of self-defense. The withdrawal of Russia from the war by the Treaty of Brest-Litovsk in March, 1918, cannot be regarded as such an immediate and overwhelming threat to the Allies as to justify intervention to nullify its results. The Soviet government did not thereby become the ally of Germany but merely sought to restore Russia to a status of neutrality. And even a possible threat to the Allies did not justify the continuation of intervention in Russia for a year and a half after the armistice. Neither can it be plausibly contended that the revolutionary propaganda of the Bolsheviki justified the intervention. Such propaganda in 1918 was directed chiefly against the Central Powers and had at the outset received encouragement from the allied and American agents still in Russia. The later development of propaganda against all bourgeois States and the establishment of the Communist International in March, 1919, were in part a legitimate defense against intervention. In no

respect did Soviet Russia in 1918 constitute such an instant, direct, immediate and overwhelming danger to the United States or to the Allies as to justify armed invasion, blockade and the promotion of civil war.

To the impartial student of international law, the Soviet Union's case against the United States appears to rest upon firmer ground than do American attempts to prove the intervention lawful. The amount of the valid counter-claims would have to be determined by the application of the principle of proximate causation. Only such proportion of the total losses included in Chicherin's imposing bill of 1922 as can be traced, directly or indirectly, to acts of the intervening governments would give rise to just claims for compensation. These claims, in the event of a settlement, would have to be apportioned on some fair basis among the powers responsible. According to a statement made by Litvinov to the writer, the Soviet Union is willing to discuss the funding of the war debt to the United States without raising the question of counter-claims, since the so-called Kerensky debt constitutes but a small portion of Russia's total indebtedness. The counter-claims would be raised only in connection with the claims of private American citizens for payment on the Czarist bonds and for nationalized property.

The Soviet government is at present interested in American recognition not as a means of inaugurating discussions of financial claims, but because of its bearing on commercial relations which have been developing steadily during the past five years. During the Soviet fiscal year 1927-1928, the Amtorg and other trading agencies in the United States purchased \$91,231,048 worth of American products. In 1928-1929 the figure reached \$107,651,115, while the sales of Soviet products in the United States amounted to \$30,749,044, that is, 37 per cent above the previous year. The total American imports from and exports to Russia for the calendar year 1929 amounted to about \$155,000,000. For the first

three months of 1930 United States exports to Russia were \$44,160,146, as compared to \$12,248,146 for the same period in 1929. Soviet purchases from the United States fell off 75 per cent in May as compared to January as a result of the resumption of diplomatic relations between Soviet Russia and Great Britain. Soviet imports from the United States for May and January, respectively, were \$3,098,000 and \$12,420,000, according to a Washington dispatch of July 1. Trade with Great Britain in the six months beginning October 1, 1929, was \$44,163,000, as against \$19,746,000 in the same period of the previous year.

The demands which the Soviet five-year plan makes upon American machinery, goods and cotton have seemed to insure a steady development of this substantial commerce. The Soviet contention is that this development would be facilitated and accelerated by diplomatic recognition, involving, as it would, an interchange of consular representatives, the granting of legal status to the Soviet government in American courts, the removal of obstacles in the way of the shipment of Soviet gold to the United States, and a general regularization of navigation and export and import operations. The State Department professes to believe that these factors would have little influence on trade, which has grown to imposing proportions despite the difficulties due to the lack of diplomatic relations.

Here again the Soviet contentions have much weight. That profitable trade relations have developed despite the anomalous situation of a prolonged suspension of normal diplomatic contacts is scarcely a valid argument for a continuation of non-recognition nor a proof that more extensive commerce would not follow recognition. Here, as in the case of the counter-claims, an effort to understand the Soviet position will be more likely to lead to a clarification of the issue than adherence to the "holier-than-thou" attitude toward Russia which the State Department has maintained for the past thirteen years.

NEGATIVE DISCUSSION

WHY AMERICA REFUSES TO RECOGNIZE RUSSIA ¹

Why the United States government refuses to recognize the Soviet government of Russia was the subject of a statement by Charles Evans Hughes, Secretary of State, when replying to a delegation representing the Women's International League for Peace and Freedom, which he received at the State Department on March 21. Miss Ella Boynton of Chicago, speaking in behalf of the delegation, pointed out that Mr. Hughes had in the previous year taken the position that the basis for recognition of Russia was safety of life, regard for private property rights, the sanctity of contracts and the rights of free labor. These conditions, Miss Boynton declared, had now been largely met. Mr. Hughes replied as follows according to the text supplied by the State Department:

Ladies:

It gives me great pleasure to receive you, and I want you to know that I deeply appreciate the sincerity and the earnestness with which you speak. I know how deeply interested you are in promoting the cause of peace, and I can assure you that I am profoundly in sympathy with your desires and aims. I have done the best that I could in the discharge of my official responsibilities to serve that cause which is very close to my heart.

In speaking to the representatives of your general organization last May I voiced the concern which we felt for the welfare of the people of Russia. The evidence of the last year, as we have become even more intimately acquainted with the great distress into which they have been plunged, has intensified that feeling. The constant and dominant thought in our minds is: "How can we help that stricken people?"

¹ By Charles Evans Hughes. *New York Times Current History Magazine*. 18:286-8. May, 1923.

So far as charity is concerned, it has been poured out lavishly. I do not think that any fair-minded person can doubt the heart of the American people and our desire to give relief. But, as you have pointed out, charity is not enough. The problem is far deeper than that. It is an economic problem, and humanitarian interests, however keen they may be, cannot escape the underlying and controlling facts. Not only do we not desire to interfere with the internal concerns of Russia; not only do we recognize the right of the Russian people to develop their own institutions, but such interference would be futile. The salvation of Russia cannot be contrived outside and injected. Russia's hope lies in Russia's action. It is absolutely impossible to deal with matters which are in the control of the Russian people, and which, until they are adequately dealt with, furnish no ground for helpfulness, no ground for Russian recuperation.

Russia needs industry and trade, but industry and trade cannot be created by any formal political arrangements. However important may be the facilitation of the transactions of industry and trade thru political arrangements, still those arrangements do not create the transactions or supply the essential basis for them. You can't support what does not exist. We have in the case of Russia the need of investment. It would not help the Russian people to encourage adventurers, or those who would wish to go into Russia for the purpose of exploitation. The benefit to Russia, thru which her productivity can be increased, and the basis of industry and trade provided, must come from those who make a permanent investment in Russia, who are there to see their transactions thru on a basis of permanent relations, and who consequently so far as they are foreigners, can be assured before they will contemplate such investments that these will be secure and worthwhile. The conditions, which would invite the foreign assistance which you

point out is so necessary, are in the control of the Russian authorities. They cannot be in the nature of things supplied from the outside.

Now I may say that there is a good deal of fallacy in what is said about trade between Russia and other nations. Of course, other peoples are trading with Russia, and our people are trading with Russia. Trade is going on, so far as it can go on, but it is relatively insignificant. If you will examine statistics you will observe that it makes very little difference whether or not any particular government has recognized the Soviet authorities with respect to the actual trade that is being conducted. If Russia buys she must be able to have something to buy with—that is, she must produce so that she can buy.

LAMENTABLE CONDITION OF INDUSTRY

I am glad to note that agricultural conditions in Russia have somewhat improved, because agriculture is basic in Russia. There is hope in that fact, but agricultural conditions are still far from what they should be. The conditions of industry and transportation are most lamentable. If you need to know what those conditions are, I refer you to the Soviet authority, Mr. Rykoff, and his statements last Fall, which, no doubt, are accessible to you, and the analysis of which, I think, will correct some of the rather optimistic statements that you have made. There have been changes in laws and methods. I would be the last to decry them. It is not a pleasure to me to look into the conditions of Russia and find them unsatisfactory. It would be the keenest delight to me to find that they were quite the reverse. On the other hand, it serves no useful purpose to take these changes that have been made and exaggerate their effect or misconceive the result of them. They are far from adequate to create the conditions which would support industry and trade in Russia. If you will examine Mr. Brandenburgsky's

analysis of the civil code and the changes in laws which have been recently made, you will find indubitable evidence of the unsatisfactoriness and inadequacy of those changes. He, as you no doubt know, had a good deal to do with the preparation of these laws. The reason Russian stocks are decreasing, the reason that they have this progressive impoverishment is that they have not yet supplied what is essential. And when I speak of what is essential I am not referring to anything that anybody on the outside of Russia, least of all ourselves, artificially sets up. We are pointing to the conditions of helpful intercourse in the world as it exists. If there were any need of a demonstration of the essentiality of those conditions, the Russian experience would certainly give it.

I recognize fully the distinction between matters exclusively of economic import and the question of diplomatic relations. As I said to the representatives of your organization a year ago, the fundamental question in the recognition of a government is whether it shows ability and a disposition to discharge international obligations. Stability, of course, is important; stability is essential. Some speak as tho stability was all that was necessary. What, however, would avail mere stability if it were stability in the prosecution of a policy of repudiation and confiscation? In the case of Russia we have a very easy test of a matter of fundamental importance, and that is of good faith in the discharge of international obligations. I say that good faith is a matter of essential importance, because words are easily spoken. Of what avail is it to speak of assurances if valid obligations and rights are repudiated and property is confiscated? This is not a question of the rich or of the poor. It's a question of principle. Only the other day I had a letter stating the case of two American women who had been living in Russia and invested all their savings in Russian securities, and they are poor people, dependent, and they are very anxious to know whether these securities will have any recognition.

ALL FOREIGN LOANS ANNULLED

Our own government, after the first revolution, loaned about \$187,000,000 to Russia. I may say that we were the first to recognize the Kerensky government; that government did not profess a policy of repudiation. Now, what did the Soviet authorities do? In their decree of January 21, 1918, they made this simple statement: "Unconditionally, and without any exceptions, all foreign loans are annulled."

What was loaned to Russia out of our Liberty bond proceeds, and the war loans obtained by Russia before the revolution to enable Russia to continue the war were simply annulled! Now, the United States is not a harsh creditor. The United States is not seeking to press debtors who cannot pay beyond their means. But indulgence and proper arrangements are one thing, repudiation is quite another. I have yet to hear of any change in this announcement of the Soviet authorities. Suggestions which have been reported have always been coupled with impossible qualifications. This strikes at the heart of some of the suggestions which you have made in the interest of the principles of religion, which we all have at heart—good faith is the very essence of brotherly kindness. There is no hope for the success of your gospel—our gospel—of brotherly kindness in a world of hatred and in a world which is not animated by the sincerity of good faith.

Here is a simple test. We have in this case no need to speculate, as of what avail are assurances when we find properties taken, without compensation, or restoration, obligations repudiated—properties of all sorts, the investments of one of our great life insurance companies, for example?

Not only would it be a mistaken policy to give encouragement to repudiation and confiscation, but it is also important to remember that there should be no encouragement to those efforts of the Soviet authorities

to visit upon other peoples the disasters that have overwhelmed the Russian people. I wish that I could believe that such efforts had been abandoned. Last November Zinoviev said: "The eternal in the Russian revolution is the fact that it is the beginning of the world revolution." Lenin, before the last Congress of the Third International, last Fall, said that "the revolutionists of all countries must learn the organization, the planning, the method and the substance of revolutionary work. Then, I am convinced," he said, "the outlook of the world revolution will not be good, but excellent!" And Trotzky, addressing the Fifth Congress of the Russian Communist Youths at Moscow last October—not two years ago, but last October—said this: "That means, comrades, that revolution is coming in Europe as well as in America, systematically, step by step, stubbornly and with gnashing of teeth in both camps. It will be long protracted, cruel and sanguinary."

Now I desire to see evidences of the abandonment of that policy. I desire to see a basis for helpfulness. We want to help. We are just as anxious in this department and in every branch of the Administration as you can possibly be, to promote peace in the world, to get rid of hatred, to have spirit of mutual understanding, but the world we desire is a world not threatened with the destructive propaganda of the Soviet authorities, and one in which there will be good faith and the recognition of obligations and a sound basis of international intercourse.

THE MENACE OF COMMUNISM²

Communism is the most important, the most vital, and the most far-reaching issue in the world, affecting the civilization of the world, and the happiness and the safety of our people. The merits and the demerits of prohibition sink into insignificance compared to this question of

² From an article by Hamilton Fish, Jr., Member of Congress from New York. *Annals of the American Academy*. 156:54-61, July, 1931.

Communism, whose ramifications reach into every human sphere and activity, and which is a great world issue. It may be divided into three parts: the revolutionary or political, the moral or religious, and the economic.

REVOLUTIONARY AND RELIGIOUS PHASES

So far as the first is concerned, that of revolution, I wish to make clear in the beginning, in spite of what you may read in some of the papers, that I am not an arch Fascist or an extreme conservative; I am not an alarmist. I do not believe that there is any likelihood of a Communist revolution in the United States this year or next year or for many years to come, or until Communism has spread out from Soviet Russia into China and India and Germany, where there are some fifteen million Communists. We have nothing to fear in this country from a revolutionary point of view until there is a Communist revolution in Germany; and that will come whenever Soviet Russia is ready to have it come, and not before.

On the question of a revolution in this country, there is another good, sound reason why we will not have one. There are only, as our Committee found, five or six hundred thousand Communists in America out of 120,000,000 people. The Communists (we must give them credit for many things) are intelligent, are well disciplined, and take their orders direct from Moscow and are proud of it. They know that they could not accomplish anything by having a revolution in the United States at this time. They further know that if there was a revolution the regular army and the National Guard and the American Legion, using a Russian word, could "liquidate" all the Communists in the United States in a few weeks' time. Therefore I do not want any one to think either that I am an alarmist or that I anticipate a revolution in this country at this time from Communist sources.

The question of the moral or religious aspect is perhaps the most appalling and the most tragic, if not the most dangerous ; because there is a country of 160,000,000 people, one-sixth of the territory of the world, with some ten millions of children going to school, where it is mandatory to teach hatred of all forms of religion and hatred of God and of religious beliefs.

Now, it is none of our business what kind of a government they may have in Russia or what they teach there. All I am trying to do is present the facts as we have found them thru intensive study. I think, and the Fish Committee believes, that the best way to combat Communism is to expose its principles and its objectives, and what it has done in Russia, to the American people ; because it will not go very far in America if the American people know just what it is.

This religious issue is of particular interest to the women in this country. Not only is Soviet Russia trying to wipe out all forms of religion, but it is successful in doing it. Not only are the leaders undermining the faith of ten or twelve million children in Russia, but they are actually successful in teaching hatred of God and all religious beliefs to such an extent that the children at school must hold their parents in contempt and disobey them if the parents have the temerity to maintain any religious belief.

HISTORICAL SKETCH

Let me outline somewhat of the history of Communism. There is a great misunderstanding in America, largely due to Communists and Socialists and pink intellectuals, who lecture thruout this land and make most of the noise and represent about 5 per cent of the population. They want you to believe that the Communists overthrew the Czar's régime and that there is some connection between Liberalism and Communism.

The truth is that in March, 1917, the Czar abdicated to the Provisional government of Russia, the first democratic government that Russia had ever known, and the United States of America was the first government to recognize that Provisional government of Russia. At that time, Lenin was living in Switzerland in exile, our old friend Trotsky was living in the Bronx in the City of New York, Stalin was an exile in Siberia, and all the other Communist leaders were either out of Russia or in exile. They had little or nothing to do with the overthrow of the Czar's régime.

I do not hold any brief for that old despotism. I believe a dozen revolutions were justifiable against that misgovernment and misrule, inhumanity, and the stupidity of the old system. But after the Provisional government was set up, the German General Staff sent Lenin with some of his colleagues in a closed car thru Germany into Russia, to advocate chaos—a separate peace for the war-weary Russian army, land to the peasants, factories to the workers, and so on—to undermine the first democratic government of Russia.

After six months' time, in November, thru the help of deserters from the front, some 30,000 Communists overthrew the democratic government of Russia by force and violence, and established their dictatorship, which is the worst form of autocracy the world has ever known, wiping out all civil rights, freedom of speech, of assembly, and of the press, trial by jury, and so on. It amounts to a government of fear and by fear, thru force and violence.

Again, we have nothing to do with the form of government in Soviet Russia; it is none of our affair what kind of a government they have over there. But when they interfere, thru the Communist International, with our domestic institutions and with our form of government, then it is very decidedly the business of the American people and of the Congress of the United States.

That is one reason why the government has steadily refused to recognize Soviet Russia. So far as I am concerned, it is the only reason why we should not. The question of debts is immaterial. The serious issue is that of interference from a foreign government supposed to be friendly, but using its diplomatic officials and its consulates for propaganda purposes.

PRINCIPLES OF COMMUNISM

What are the principles of Communism? In other words, what is Communism? There is much to be admired about the Communists, because we know exactly what they stand for, and they do not change their principles as the Republicans and the Democrats do in this country. All Communists, whether they live in Moscow or Berlin or Paris or New York or Los Angeles or Tokyo, believe in the same fundamental principles.

Now, what are those principles? First, the abolition of all forms of religious belief. Second, the abolition of all forms of private property and inheritance. Third, the promotion of the bitterest kind of class hatred of a certain part of the working class against all other classes. Fourth, the promotion thru the Communist International in foreign countries, of strikes, riots, sabotage, and industrial unrest. Fifth, the promotion of class or civil war in order to obtain the objective, which is, sixth, the establishment of a Soviet form of government, the dictatorship of the proletariat, with headquarters at Moscow.

If you believe in those six principles, you are a Communist, and you ought openly to state that you are a Communist. If you are in sympathy with those methods, you ought to advocate them. But our Committee believes, as I said before, that the best way to combat Communism is to expose it—to state those tenets clearly, so that the American people may know just what they are. The Communists go thru this country under certain camouflages. They even come down to Washington to the

Congress of the United States and advocate other issues, such as unemployment insurance or protection for the foreign-born, that have nothing to do with the fundamental principles of Communism, but simply constitute a temporary appeal to certain classes for support for their party. If those six principles are understood in this country and elsewhere, Communism will not get very far.

LABOR CONDITIONS

The Communists in Russia, so we are told, are all employed. That may be true. The Communists over there control the country. There are only one and a half million communists out of 160,000,000 people, and if the rest of the people are employed, they are not employed in the capacity of free men and women, but as serfs, shackled and harnessed to the job, receiving about twenty cents gold a day, not permitted to strike, but simply to work and obey orders. Yet there are some intellectuals in this country that delight in comparing free American labor with that kind of labor that is used in Soviet Russia.

Why, if Soviet Russia would permit its people to leave the country, half the population would move out in thirty days, and they would all like to come into the United States if they could find their way over here. For the last thirty years we in this country have been wiping out abuse after abuse to protect the wage earners and to give them better conditions of labor. And yet you will find some people criticizing the United States—criticizing our government and our economic system, under which the wage earners, in spite of a temporary period of depression, have been for many, many years the best paid, the best fed, the best clothed, the best housed, and the most contented in the world. That is why all the foreigners, if we gave them a chance, would like to come over to the United States of America. In spite of that, the Communists and the Socialists are joining hands.

The trouble about the Socialists is that they hate to admit that there is any such thing as a Communist. They are very much annoyed with me because they do not want anybody to know that there are any Communists in America. The Socialists have lost the rank and file of their party, who have gone into the Communist Party. All that is left of the Socialist Party is a few Protestant ministers, a lot of pink intellectuals, and many sobbing sisters owning pearl necklaces and having Liberty bonds safely tucked away somewhere. Those people are the ones that denounce everything about our Republican form of government, about our ways of doing business and about our labor conditions. In their opinion, everything is wrong with us, everything is corrupt, and everything is angelic in Russia and everywhere else but in the United States.

We are not going to borrow anything from Socialism in our structure. We can have social reforms and justice, but we are not going to change our form of government for Socialism or Communism in any respect whatever. The Socialists represent a foreign form of government. They take their principles exactly as the Communists do, from the manifesto of Karl Marx, issued in 1848. The Socialists do not deny it. The Communists do not deny it.

The Communist Party is not an American party; it is a section of the Communist International, taking its orders from Moscow. Even if its candidates ran for office and were elected, they could not take the oath of office and allegiance to our government. This is the reason the party should be kept off the ballot.

Who is best able to speak for labor? Why, that organization that has done more to combat and expose Communism than any other in the United States. The American Federation of Labor has for the last fourteen years refused to compromise with Communism in this country to any degree. If the Communists had succeeded

in taking over the American Federation of Labor in Chicago and Los Angeles and elsewhere, as they tried to do, Communism would be a very serious threat in this country today, in every industry from Philadelphia to the Pacific Coast.

COMMUNISTIC METHODS

You probably would like to know how the Communists operate. They are well organized, altho few in number. They have twenty districts, each with its local manager. They take their orders direct from Moscow, and glory in taking those orders. They are the most skilled propagandists in the world. They realize that the way to develop their cause is to reach the children.

In my district alone, I found three summer camps some fifty miles up the Hudson River in New York. Our Committee was delegated by the Congress of the United States to get the facts, so we went up peacefully to those camps to see if they existed, to see what type of boys and girls went to the camps, and to see what they were taught there. We found a lot of healthy young boys and girls, mostly aliens, and these aliens who should become good American citizens were being taught nothing but hatred of our traditions, our ideals, our government, and our flag. These three camps were turning out 15,000 a year; and those camps are multiplied ten times thruout the United States. There are camps outside of New York, Chicago, Seattle, Detroit, Los Angeles, and other industrial cities.

We had some 275 witnesses appear before our Committee, under oath, from all groups and classifications of people, and many of the leading Communists in America. We went from east to west and from north to south, and covered all the industrial sections. We also investigated the American Civil Liberties Union, and found that about 90 per cent of the work of that organization consists in upholding the activities of the Communists

in the United States seeking to destroy all civil liberties in this country.

I do not want anybody to think I am unfriendly to the aliens. I believe the aliens that come into this country do and should make as good citizens as those of us who have been born here, if not better. They come here of their own accord, and they really owe more to the country. But so far as the Communists are concerned, we found that 70 per cent of the Communists in the United States were aliens, that 20 per cent were naturalized citizens, and that only 10 per cent were American-born citizens, whether they were white or black.

The Communists in the United States constitute an alien conspiracy, aimed at the heart of the government and the happiness of the people. That is why our Committee proposed that all alien Communists who would not go back to their own countries of their own accord, but insisted on staying in the United States to spread this doctrine of hate and urge the overthrow of the government by false propaganda, should be deported by the Congress of the United States. If they do not like it here, if they do not like our laws and our country and our institutions, let them go home where they can enjoy the lack of freedom of speech and the oppressive laws to which they have been accustomed in the past. If they insist on staying here and continuing this propaganda of hate, there is nothing for Congress to do but to enact laws to see that alien Communists are deported. These people are not afraid of our police, of our courts, of our jails. The only thing they are afraid of is being sent home. The American people and the Congress of the United States have already compromised with them too long. We have tolerated their insults too long, and if they will not cease this propaganda or go home of their own accord, I can assure you that the next session of Congress will enact legislation to see that all alien Communists are deported to their native lands.

DEPARTMENT OF JUSTICE SHOULD HAVE MORE POWER

You may be interested to know how I became interested in this question of Communism. I went to Russia in 1912 and again in 1923. I was not particularly interested when I came home. But I found out thru entering a debate on the recognition of Russia that no department of our government had any authority or funds from Congress to investigate Communism, and no department of the government, particularly the Department of Justice, knew anything about the revolutionary activities of the Communists in the United States. We have about 100,000 Communists in New York, and if they were so minded, they could raid the White House and kidnap the President, and no department of the government would know anything about it until they read it in the newspapers the next day. I want to assure you that I do not think they are so minded at this time.

Naturally, we propose that the Department of Justice shall be given ample power to investigate these revolutionary activities in our midst as a precautionary method. We do not propose to give the Department power to raid and to arrest, but merely to secure information and to act as a clearing house; not to restore the old espionage act of war times.

If this empowerment of the Department of Justice and the provision for deportation of alien Communists were submitted to the American public thruout the country, I am convinced that they would be carried in a plebiscite or a referendum, 99 to 1.

I am opposed to Communism and its activities in this country because of the investigation and the facts that we have found. I am furthermore opposed to it because in politics, I am of a liberal trend of mind. I am just as much opposed to Fascism as I am to Communism, but I am opposed to Communism more as a liberal who believes in popular government and human rights, and in government by consent of the governed. That is why

I believe that Communism is the most important, the most vital, the most far-reaching, and the most dangerous issue in the world.

THE ECONOMIC PHASE

So far as we are concerned, the economic phase of it is the most serious at the present time to the American people because free American labor cannot compete with labor in Russia, shackled and harnessed to the job and paid twenty cents a day. Furthermore, we have more to fear from Russia than from any other country, because it is a great country like our own, with enormous natural resources in wheat, oil, lumber, and cotton. It is not Russian imports in this country, but Russian competition in the world markets, that we have to fear.

Ten years ago, it was thot that Russia would not succeed and that she was not an economic menace. That was perfectly true at that time. What enabled her to succeed? American brains, American implements, and American capitalists and industrialists. The Russians themselves have built only one large factory. We have more engineers over there than all the other nations combined. Russia killed off her engineers and her business men, and now she has to have Americans to help her out.

Altho I am a politician, and know that it is very dangerous to predict or to promise jobs in politics, I do not mind predicting that, thanks to American capitalists, American credit, American brains, American tractors and sawmill machinery and oil equipment, the Five-Year Plan will be successful, and that within the next four years, we will lose in wheat, oil, lumber, and cotton, over a billion dollars in export trade, which will affect the pocketbook of everybody in this country, and affect our standard of living.

Lenin was a great man, and he once said that capitalists will commit suicide for temporary profit. That

is exactly what the American capitalists, industrialists, and bankers have been trying to do for the last two years, and they have succeeded in building up the five-year program which has for its final objective the destruction of all democratic forms of government and all capitalism thruout the world.

PROPAGANDA

Now, some people will say, "Well, how do we know that there are any Communists in America?"

There are eleven or twelve daily Communist newspapers, with a total circulation of 264,000. All except one are in foreign languages. They are spreading the most vicious, poisonous hatred against everything in which we believe in this country, against our institutions and our government and our flag, among aliens and naturalized foreigners who ought to be good citizens. Those 264,000 papers are not read simply by one person each, but by entire families. That propaganda is going on thruout the country, and many of the editors of those papers are aliens.

Again, there is the propaganda among the Negroes. The Communists in Russia believe that the 12,000,000 Negroes in America do not realize that they have lived here generation upon generation, and the Communists think that they can rouse the racial hatred of the Negroes and develop a revolutionary spirit against the government. I have personally seen order after order from Moscow to the Communists in this country, demanding that an intense campaign be conducted among the Negroes, both North and South, in order to turn them against the government. The Communists cannot understand why the Negroes have not succumbed to their propaganda of social equality, of intermarriage and racial equality, and so on.

The fact is that the colored man and woman in America are loyal to their country, their flag, and their

governmental institutions, in spite of inequalities. They are not colonials, they are native-born Americans; and the women, particularly, of the colored race find no appeal in the Communist propaganda when it comes to the abolition of religion. The colored man and woman believe in God and are a church-going people.

Wherever there is a Communist meeting, the white and the colored people assemble together and dance together. The Communists mean just what they say, so their propaganda has some little appeal. Colored men and women are going to Moscow all the time to be trained in the revolutionary schools.

Does any one think that aliens would be permitted to go into Soviet Russia and criticize the government and the institutions? You know as well as I do that those aliens would not be deported—they would be shot. I am glad that in this country of ours we can talk on this question of Soviet Russia on both sides and present facts for the information of the public.

I would favor recognition of Russia if we could have a guaranty that she would not use her embassies and her consulates to spread propaganda. But so long as she will not divorce the Communist International from the Soviet government, the United States government will not recognize Soviet Russia. Personally, I would go a step farther; I would recognize Soviet Russia if she would restore civil rights and liberties there and let the people vote for their own form of government.

DEFENSE OF OUR GOVERNMENT

But my message is not one of recognition, or of trade, or of political revolution. In spite of the beautiful things we hear about Russia—this great peaceful nation where everybody is rich and happy and sublime—the one main statement of Communists thruout this country, and of their Socialist friends, and of many of our intellectual professors, is that we are a great, warlike, aggressive,

imperialistic nation and that we want to declare war on Russia. Yet we are the most peaceful nation in the world, with our military establishment smaller than that of almost any other nation; while Russia has an army of 600,000, armed to the teeth, with tanks and airplanes and heavy artillery.

If there is to be a big war in the next five years, that war will come out of Soviet Russia. It will come when the Five-Year Plan is completed and the armaments are in readiness and when Russia is ready to release the Communists in Germany for action; then it will come thru an internal revolution in Germany, with the big Russian army coming over Poland into Germany to help.

After eleven years' service in the Congress of the United States, I have no criticism of our form of government, in spite of the fact that the Communists say that our government is one of wealth and is owned by fifty-nine men in Wall Street. Our government is owned by the sovereign people. We still have a popular government; not only have we a republican form of government, but our people control that government thru their legislators.

So my main message is that we have nothing whatever to gain from Communism, from Socialism, or from a dictatorship. Our government is still the soundest, the fairest, the most honorable, and the wisest form of government yet devised by the mind of man.

THE FIVE-YEAR PLAN UNDER FIRE *

Elaborate reviews of the so-called five-year plan of the Soviet authorities, compiled, no doubt, from official information supplied by the Soviet government, reveal an alluring picture of accomplishments thus far. They

* From an article by Henry D. Baker, Former American Commercial Attaché in Russia. *Current History*. 33:486-92. January, 1931.

also make optimistic predictions as to the remaining program of the great miracle scheme whereby Soviet Russia plans to duplicate within five years, or even four, material progress made in the United States over the last century.

The actual possibilities for success must depend largely on complete trust of American and foreign business interests that the huge scheme of industrialization planned at such hurricane speed, will not end in a catastrophe or a counter-revolution, and that credits or loans advanced will not eventually share the fate of credits and investments of the pre-Soviet days. These were rendered worthless when the present Soviet régime was initiated and by its first official acts, with respect to America alone, repudiated items of \$187,000,000 owing to the United States government, \$75,000,000 owing to American private investors in dollar bonds and \$11,000,000 to private investors in treasury notes and confiscated according to claims filed with our Department of State, over \$400,000,000 worth of property of American citizens.

The Soviet government is notorious as the openly avowed and implacable foe of capitalism thruout the world. Yet it has received many acceptances from American business interests to its invitation to cooperate in the five-year plan.

No matter how intensive the dumping of Soviet products on other nations, nor how great the inflation of paper rubles at home, the Soviet government finds itself short of meeting the accumulating burdens of financing its five-year plan except as it can to a large extent do so with promises to pay. Whatever products it can take away from its own necessitous people, it will sell cheap, very cheap, in fact, for almost any price it can get in order to raise cash for the five-year plan. And for its immense purchasing commitments to further the big plan progressively, it pays big price premiums, provided actual payments can be postponed thru long credits.

Altho the Soviet authorities give reassuring estimates of the astounding rise of the Soviet infant industrial

giant, they gloss over or fail to mention some of the great impediments of this plan, which reveal its inherent unsoundness. There is constant evidence both in the Soviet press itself, and in the observations of impartial observers who have lately been in Russia, that the five-year plan is crushing the country under its own monstrous weight.

There has been much favorable comment on the Soviet's measures of relief to agriculture. But the Soviet writers who prepare articles for American reading do not mention that the first important measure of farm relief was to relieve the better off and more competent peasants of their farms altogether. Joseph Stalin, in an address to the Communist party of the Soviet Union on June 27, 1930 (reported in the Soviet's New York organ, the *Daily Worker*, July 28, 1930), announced that "the confiscated property of the kulaks (rich peasants) was transferred to the collective farms to the value of over 400,000,000 rubles." What has become of the wealthier farmers who were deprived of their land, stock and equipment? It is understood that they have been given certain conscripted tasks, such as working in the Arctic forests with convicts and other forced labor in high pressure efforts to get out the timber the government is intensively dumping in the United States and other countries to help raise cash for its five-year plan.

It is only human nature that before confiscation the wealthier peasants should slaughter all their stock. In consequence there has since been a most serious shortage of meat, fats and dairy products. It is explained that the Soviet is now organizing animal breeding farms and dairy stations in order to meet the difficulties of meat and dairy supply, a development the original five-year plan did not foresee.

The Soviet's own publications, such as *Izvestiya*, *Pravda*, *Economic Life* and *For the Cause of Industrialization*, continually mention instances of the carelessness, confusion, excessive costs, wastes, bureaucratic ineffici-

ency, bad discipline, lack of coordination and accidents incident to the progress of the five-year plan, as well as the growing hardships experienced by the people.

Izvestiya, for example, has repeatedly shown the serious inefficiency of the great Stalingrad Tractor Plant, which was 50 per cent below schedule in August, 1930, with 358 machine tools and 1,000 workmen kept idle in its factory departments. This was due to a variety of factors, such as insufficient skilled labor under technical supervision, excessive labor turnover and lack of proper tools. The Red Putilovetz Plant, owing to maladjustments, produced only 661 tractors instead of 2,100 because the castings delivered from several Leningrad factories were too hard to use. Workmen lost thousands of productive hours standing in long lines at lunch counters waiting to get a meal. Resistance to American technical guidance has grown steadily. The trade publication, *For the Cause of Industrialization*, in its issue of September 23, 1930, stated that "the chain of impediments to tractor production at Stalingrad seems to be endless." No sooner were troubles with the oil pumps eliminated than other handicaps became manifest. This time (September 23) mass production of tractors could not be started owing to the lack of special fixtures for machine tools, which were not sent promptly enough by the Soviet trade delegation in Berlin. The assembling of tractors was also handicapped by the poor quality of copper and bronze fittings to the tractors which are manufactured by the Leningrad factory. These fittings leaked; the threads did not fit, and 80 per cent of the parts had to be junked. There were no fan-belts, which are necessary for tractors. Owing to the inefficiency of the United Steel Industries, further equipment of the Stalingrad plant is being delayed for lack of U-iron and gas pipes. At a conference of labor correspondents of newspapers it was stated that the Stalingrad plant is only a training shop with very poor students at that. Members of the

technical personnel can read the blueprints but do not know how to start the operation of a machine tool.

In the Russian canning industry, where there has been particular effort "to catch up with and overtake" the similar industries of Western Europe and the United States by doing in three years what they have done in forty years, *Economic Life*, in its issue of August 9, 1930, refers to bureaucratic struggles between different Soviet organizations and the absurdly inefficient results: "A number of large canneries are being built at the present time, but there is no coordination between the various construction agencies and the organizations that sponsor the work. As a result there are cases where canneries are built without an actual survey of available raw materials. Consequently a cannery may be built, only to find that the adjacent agricultural areas are not in position to supply the necessary produce, and large amounts of money must then be spent to develop this phase of agriculture."

In connection with the canning of fish products *Economic Life* further mentions that "the United Canning Industries are planning to build a number of canneries which will work on fish caught in the Azov and Black Seas, while the United Fishing Industries plan their activities in such a way that no fish will be left for the former. The United Fishing Industries are also building in the city of Astrakhan a large fish cannery for preserving a certain fish, vobia (*cyprinus vimba*), in spite of the fact that it has not been determined whether it is chemically possible to preserve this type of fish."

All the railways of Russia appear to be running on belated schedules, with accidents increasing and locomotives and equipment breaking down. After the recent celebration of the completion of the Turkestan-Siberian Railway, it appears to have been almost "completely forgotten by all administrative and supplying organizations," says *Economic Life* (August 9, 1930), which also men-

tions that during July "1,343 workmen engaged in locomotive and track maintenance quit work and only 768 men were hired to fill these vacancies." It also cites one instance of four trains held up because all the locomotive crews were drunk and of another instance where a group of railroad workmen were caught stealing railroad material. The entire situation on this railway was declared to be "very critical." *Pravda*, in its issue of August 12, 1930, reported that the growing number of cases of poor performance of locomotives was causing considerable alarm. In July there was an increase of 33 per cent of such cases over June, the total number of such disabilities in July being 10,892, of which 1,722 represented breakdowns, 3,541 were caused by stopping of trains en route because of inefficiency of the crews, and 1,382 cases because locomotives were not sent to trains in due time.

Miss Laura A. Friedman, a Chicago graduate of Vassar College, who lately returned from Russia, is quoted on October 2, 1930, as saying: "There is a great shortage of food in Russia at present. This is partly due to the fact that much food is being exported in order to bring gold. People are literally dying in the streets, and time and time again we have seen them lying in the streets or on the grass, sleeping as if they were exhausted. We have seen people so hungry that they have licked the food we left on our plates and picked up crumbs of bread. Prices are terrific. Shoes are \$40, dresses \$50, and socks \$4. There is such a lack of the ordinary commodities that it is appalling. Cobblers have no leather with which to mend shoes. Such notions as thread are unavailable. The people go around in rags, and in the north many of them are barefoot. All shops are virtually empty. Linens are exhausted and the towels we had, when we were able to get them, were strips of linen from old sheets."

The high cost of shoes has caused a tremendous demand for repairs. *For the Cause of Industrialization*, (August 15, 1930), stated that the workrooms of the

Leningrad Leather Industrial Cooperative had 71,000 pairs of footwear needing repair. These shops are able to mend from 1,500 to 1,600 pairs daily, while the number of pairs to be handled each day is not less than 2,500. The high cost of socks also creates a need for repairs, but to quote the same Soviet publication, "one has to wait three months to have a pair of socks repaired at the Leningrad Clothing and Knitting Union, and one month for the repairing of a coat or trousers."

The oppressive financial strain of the five-year plan is illustrated by the increasing difficulty in floating internal loans, and the necessity of squeezing still more money out of peasants and workers who have little or no surplus to spare after meeting, with their low wages and depreciated currency, excessive costs of living.

At the hearing of the Fish committee in New York during the Summer of 1930, Congressman Nelson handed to Chairman Bogdanov of the Amtorg Trading Corporation a copy of the *Economic Survey*, published by the State Bank of Soviet Russia, in which it was stated that in 1929-30 estimated expenditures would be 52 per cent of the national income. Mr. Bogdanov admitted that all State enterprises, everybody and everything in fact, must bear in taxes and forced loans this burden of 52 per cent out of all they could make. In July, 1930, a loan of 750,000,000 rubles was "administratively apportioned" over 95 per cent of the working population. The bonds of this loan were to be under "social control" of commissions with power to permit or forbid the bonds to be disposed of. The previous error of allowing such bonds to be hypothecated at the State bank so that the owners could get some money and let the government keep the bonds, was not to be repeated. This particular issue had for its object the speeding up of the five-year plan so that it could be completed in four years. *Pravda* on September 3, 1930, reported a serious failure to distribute the bonds satisfactorily either in villages or in industrial centres.

On August 1, 1930, according to *Economic Survey* of the State Bank of the Soviet Union, bank notes in circulation were 2,054,500,000 rubles, as against 989,800,000 rubles on October 1, 1928; treasury notes were 1,533,600,000, as against 461,000,000 on October 1, 1928. This tremendous increase in output of paper currency explains the steady depreciation in purchasing power of the ruble.⁴ Altho presumably the ruble is worth about fifty cents in American money and American travelers buying rubles at official rates of the Soviet before their arrival in Russia receive only about two rubles for the dollar, near the frontier in cities like Helsingfors, Warsaw and Harbin there is a business in rubles at about twelve cents each, with the values tending steadily to lessen. The Americans who have changed their dollars into rubles at the official rate thus find that the cost of living in Russia on the basis of their converted dollars is enormous.

The reserves for note issues of the Soviet State Bank "legally comprise gold bullion, coin and other precious metals and foreign currencies. This item of foreign currencies includes bills of exchange for all commodities in course of export and covered by sales contracts and bills of lading." The State Bank by Soviet law may issue and circulate chervonetz (10-ruble) notes to be secured up to one-quarter of a nominal amount by precious metals and foreign currency, both considered as "firm cover," and the balance of three-fourths by merchandise, bills of exchange and other documents. "By this method the expansion of industries is fed by bank notes, which pledge assets in return for loans advanced. . . Until recently, treasury notes were also legally issued up

⁴ In a dispatch from Moscow on November 17 Walter Duranty stated that the Soviet abruptly checked inflation in the six weeks ending November 15, 1930, bringing the total outstanding currency emission on that date to 4,000,000,000 rubles, a decrease of 400,000,000 rubles since October 1, 1930, with a rise in gold cover of the chervonetz issue from 25 to 27.4 per cent. The dispatch also stated that the new President of the Supreme Economic Council, G. K. Ordjonikidze, was increasing the supply of sugar, food and textiles by improved distribution and was also insuring better housing conditions for the workers.

to 50 per cent of the bank notes issued, but lately this proportion has been raised to 75 per cent."

There is obviously a necessity for securing foreign currencies thru intensive exports or dumping, not only to meet cash payments on equipment imported but also to serve as legal "firm cover" for the issues of bank notes, which make a roof base for additional skyscraper superstructure of 75 per cent of their amount in treasury notes. The Soviet régime, by reason of this inflation, can dump goods on other countries at ridiculously low prices and yet appear to make paper profits, since all goods exported create the "firm cover," whereby enormous issues of ruble currency can be forced on the population.

That vast waste must be incidental to the intense haste of the five-year plan as well as agonizing distress during these years of sacrifice, seems easy to understand. But it is not easy to fathom exactly what is the idea of the terrific haste to accomplish this five-year plan in four years. Literature from Soviet sources tells of the tremendous efforts put forth and of the extremely ambitious programs, but it does not throw light on the motives. In the minds of Bolshevist fanatics and sacrifices required to complete the five-year plan in four years are perhaps in preparation for war with hated capitalistic nations.

To the average sacrificing toiler for the "Big Plan," however, the motive is probably not that of preparing for another terrible war in which he might be an early victim. His earnest, enthusiastic motive is rather to hasten the dawn of his victory over poverty, to see an end of his distress, to find rest from toil, to realize his dream of having enough to eat and to wear, and finally to reach that glorious part of his life story, when he can "be happy ever afterward." No doubt he eagerly thinks that at the end of five or four years, he will see emancipation from his present slave labor. Terrible may be the disappointing illusion if instead of living in a paradise of freedom and prosperity, he should find further conscrip-

tions awaiting him either for another war or for still more years of hard labor with little food and clothing.

Even if all the many new factories and giant farms are in a position to produce efficiently at the end of the five-year plan, how, without increased individual purchasing power, can there be sufficient consumption of what might be produced? The primitive system of barter for food, clothing and tools might always be carried on when the currency itself becomes worthless, but such a condition can not make for a prosperous Russia.

Russia at present is one vast camp of mobilized workers, with shock brigades, shifted hither and thither, wherever weak points develop on the front. The Soviet journal *Trud* tells of a recent contract between the Pan-Ukrainian committee and the Coal Union, whereby some 15,000 agricultural workers "are placed in the most painful conditions, probably against their own desire and will." *Trud* explains that these farm workers are bound down for a period of two years and that if they leave their work before the termination of the contract they are treated as outcasts and are not permitted to buy provisions or other goods. This new form of forced labor has been introduced to counteract the effects of widespread "desertion from the coal front" by miners, especially in the Donetz Basin, owing to the scarcity of food, and bad housing. *Pravda* on August 22, 1930, stated that as a result of the increased demand for labor in the coal-mining industry, which had so far failed to carry out the production program for the year, the Central Administration of the collective farms had issued an order to 20,000 of their members, assigning them to work in the coal mines.

In Pennsylvania there are five counties with a total population of 2,250,000 which depend upon anthracite as a means of livelihood. Last year our anthracite industry was only just prosperous enough to allow average employment for 260 days. Every day of idleness in the

hard-coal fields means a loss of \$1,000,000 in wages. The invasion, initiated last year, of Russian hard coal into the American market may apparently be intensified thru the drafting of peasants to the Soviet coal front.

The American lumber industry is not so strong and prosperous that it can contemplate with equanimity the competition that has recently developed with forced and purely prison labor in Northern Russia. Our new tariff law forbids the import of goods made by prison labor, and also the products of forced labor, but this latter not to become effective until 1932. There is plenty of evidence to show that practically all the recent heavy shipments to the United States of timber from Russia are produced either by prison or forced labor or both, but the difficulty so far has been to separate the product of prison or convict labor from that of merely forced labor. The Soviet has thus far been considerably given the benefit of the doubt.⁵ The London *Morning Post* states that the wages of the forced labor are 17 cents a day at Archangel, where tea or coffee is \$3.12 a pound, butter \$1.16 a pound and a tin of condensed milk 84 cents.

If there is to be a demobilization of workers after the five-year plan, the employment situation may offer tremendous problems of readjustment. From the present position of there not being enough workers for the vast work in hand, there may be a change to not enough work for disbanded workers.

If Russia completes its five-year plan, it will be in all probability a Pyrrhic victory, and one that may require a reorganization plan of much more than five years for

⁵ The United States Department of Commerce on November 18, 1930, stated that official Soviet statistics showed that for the first six months of the Russian fiscal year, which ended on October 1, 1930, imports amounted to \$260,000,000 as against \$190,000,000 for the same period of 1929; exports, \$249,652,000 as against \$201,930,000 in the same period of 1929. Imports to the United States increased 148 per cent, an increase in purchases by the Amtorg Corporation of \$33,000,000 in the six months' period. Industrial, agricultural and automotive equipment and supplies purchased in six months in the United States reached \$56,700,000, or nearly four times the figures for the corresponding period of 1928-29. Exports from the United States were six times as large as imports.

recovery. Many of the new factories would perhaps be vacated or dismantled and much useless and damaged machinery scrapped. If, in view of the negligible individual purchasing power of the Russians themselves, at the end of the five-year plan, there could be no home market for the goods produced, then the dumping of such products on the more prosperous markets of capitalistic countries might grow worse than before.

In the trade reviews and public addresses and interviews, inspired by the Soviet government for American information, strong emphasis is placed on the alleged great benefits to the United States from the trade rapidly developing under the five-year plan. There is particular stress on the huge orders given for American machinery, electric equipment and tractors. Nevertheless, the *Economic Survey* of the State Bank of the Soviet Union, published monthly at Moscow, makes it quite clear that such imports are of a temporary nature. The following sentence in its issue of August, 1930, is significant: "The industrialization and rationalization of Soviet economy will diminish the U. S. S. R.'s dependence on capitalist countries, and the imports of foreign goods for Soviet key industries will steadily decline from year to year."

As regards tractors, the same publication on November 30, 1929, predicted that within the next two years production in Soviet Russia would exceed that of the United States, and also that 70,000 combines would be used by 1932 on Soviet collective farms (private farms will not be supplied with combines and tractors), whereas, in America, 60,000 combines were employed in 1928. Altho in 1929 the American export of tractors to Soviet Russia nearly doubled that of the previous year, our cotton exports to that country fell off by \$10,000,000. That loss to American cotton farmers was, of course, an economy which helped pay for the tractors and other machines.

The economy in cotton imports from the United States was mainly due to the inability of the Russian workers

and peasants to spend much on apparel, since most of their money was required for food. It may also have been partly due to the fact that the Soviet textile mills, despite the lavish expenditures on them, are showing inefficiency and poor productivity.

The American manganese industry, which was particularly singled out in 1929 for Soviet dumping to help pay for tractors and other machines, finds itself now in the position thus described by J. Carson Adkerson, president of the American Manganese Producers Association at a convention at Washington on November 10, 1930: "On account of the dumping of Soviet ores on our shores, at prices regardless of the cost of production, most plants have had to cease production during the early part of the year. Likewise, construction on new plants has been suspended because there is no market for the ore. The dumping of Soviet ores has paralyzed the American manganese industry."

For Russia itself the price of the five-year plan is one that staggers humanity. For other nations it is a price which must stagger the industries stricken by Soviet dumping, and generally injure national well-being, except as they are alert to the Red danger signals and act promptly to protect themselves. It is no time for any government like our own to be caught asleep at the switch.

THE SOVIET UNION: THE QUESTION OF RECOGNITION⁶

In the protracted contest between the ideals and institutions of communist-sovietism and those which for convenience we will designate capitalist civilization there has been thus far no single event of greater or more far-reaching importance than the refusal of the govern-

⁶ From an article by John Spargo, formerly a socialist leader and author of books on the relations between the United States and Russia. *Current History*. 32:1072-8. September, 1930.

ment of the United States to recognize the Russian Soviet government. It is agreed by the best minds on both sides that a contrary decision in 1920 would have changed the whole course of international politics during the decade just ended.

Intrinsically, the note which Secretary of State Colby addressed to the Italian Ambassador in Washington on August 10, 1920, stating the position of the United States toward the Russian Soviet government, is one of the most important diplomatic documents in our history. In political importance as well as in style it ranks high among the half dozen or so really great State papers issued by our government during the last hundred years. The audacity of its attack, the merciless severity of its arraignment of the principles and policies of the Bolshevik régime, and the uncompromising declaration of the impossibility of our admitting to the privileges of official recognition and intercourse the power responsible for those principles and policies, had the great merit, unique among diplomatic papers, of sharply and unmistakably defining the issues of an irreconcilable conflict between social systems in such manner that it could be equally well understood in the cottages of the humble and the chancelleries of empires. Chicherin, the brilliant former Soviet Minister for Foreign Affairs, while denouncing the position taken, admitted these qualities of the Colby note.

The armies of Soviet Russia had invaded Poland and seemed likely to subjugate that newly reconstructed nation. The Italian Ambassador in Washington inquired what the attitude of the government of the United States was, both toward the Russian-Polish conflict itself and toward certain efforts that were being made to effect an armistice between the two powers. Secretary Colby replied to the specific question as follows: The United States desired "the maintenance of Poland's political independence and territorial integrity," and took no exception "to the effort apparently being made in some quar-

ters to arrange an armistice between Poland and Russia." At the same time the United States was opposed to "the expansion of the armistice negotiations into a general European conference," the reasons for this opposition being that such a conference would involve recognition of the Soviet régime and a settlement of problems of vital importance to Russia upon the basis of her dismemberment. "From both of these results," said the note, "this country strongly recoils."

The reply to the question of the Italian Ambassador was concise, ample and free from ambiguity. It gave notice to the powers that the policy of the United States was opposed equally to any dismemberment of either Russia or Poland and also to the recognition of the Soviet régime at that time. Had the note stopped there it would have met the requirements of the moment well enough. It would have been a conventionally proper and technically correct diplomatic note, and nothing more.

What gives the Colby note its historical importance and pre-eminence among the diplomatic papers of our time is the trenchant and fearless exposition of the reasons why the United States could not give recognition to the Soviet government, unless and until the latter divested itself of those inherent characteristics which distinguish it from all other governments, past or present. The note emphasized the fact that the government of the United States did not concern itself with any feature of the political or economic structure which had been set up in Russia by the Bolsheviki. It did not object to either the Soviet form of government or communism as an economic system. The right to establish either or both of these is inherent in Russian sovereignty. Denial of recognition was based upon the conviction that there was in the régime something fundamental to its existence which made it impossible for the United States to hold with that régime the relations common to friendly governments and logically ensuing from recognition.

It was an impossible thing. There was no matter for argument or adjustment. The biological impossibility of mating a humming bird with a hippopotamus was not greater than the impossibility of friendly relations between powers so infinitely remote from each other. In language the severity of which is unparalleled in the history of modern diplomacy Secretary Colby set forth the indictment upon which he based the conclusion that "in the view of this government there cannot be any common ground upon which it can stand with a power whose conceptions of international relations are so entirely alien to its own, so utterly repugnant to its moral sense."

Publication of the note caused a sensation. It was realized that here was no mere statement of momentary policy, another move in the diplomatic game. Here was finality itself, the irrevocable. It was made manifest to all mankind that the United States had measured the Soviet régime, examined its philosophy and principles, and, having reached an inexorable conclusion, had deliberately challenged it. Secretary Colby had placed the United States in the position of foremost defender and champion of the principles and usages upon which international order and comity are founded. Incidentally he established for himself a place among the greatest of our Secretaries of State and as a diplomat whose work was of epochal importance.

Mr. Harding, then a candidate for the Presidency, had declared publicly that if elected he would reverse the entire foreign policy of President Wilson. Privately he had said that he would recognize the Soviet government. "No American statesman," said a high European official, "will dare attempt that for a generation to come upon any terms less than the complete surrender of the Soviet régime to the American position. The note of Secretary Colby is one of those rare declarations which all subsequent statesmen have to accept as unchangeable."

Ten years have passed. Woodrow Wilson has been succeeded by Warren G. Harding, Calvin Coolidge and Herbert Hoover, while Secretaries Hughes, Kellogg and Stimson have succeeded Secretary Colby. The position taken by Colby has been stoutly and ably maintained to the last letter by his successors. So strongly did Secretary Hughes emphasize that position, reiterating his objections and arguments, that the policy came to be widely spoken of as "the Hughes policy." From time to time there have been flurries of agitation in favor of a reversal of the policy and recognition of the Soviet régime, but such a reversal is less likely today than at any time during the ten years that have elapsed since Secretary Colby's declaration rang like a clarion call thru the chancelleries of the world. The opposition to the policy in this country is negligible in quantity and quality alike, especially the latter. A few self-styled intellectuals join with scattered political malcontents in a futile protest against the irrevocable, but the policy is buttressed by the incontestable sanctions of the nation, our self-respect and our strength.

Most impressive of all the tributes to the strength of the American position is the pitifully weak case which its opponents have set up. The foremost leaders and spokesmen of the Soviet régime, admittedly among the ablest and adroitest of controversialists, have devoted their talents to the task of discrediting the Colby note and our policy of non-recognition. Yet a dispassionate survey of the pro-Soviet arguments assailing our policy thruout the decade can convey to a thoughtful mind no other impression than one of incredible weakness. Despite the care and precision with which Secretary Colby, in terms understandable and incapable of misinterpretation, stated our position that our refusal to accord recognition to the Soviet government has nothing to do with any feature of any of its domestic institutions, scarcely an argument appears on the Soviet side which does not assail the Amer-

ican policy upon the ground that our refusal to recognize the Soviet government is due to our disapproval either of the Soviet form of government or of communism. If this argument is sincerely advanced, in the belief that it is valid, then the lack of intelligence is most pitiful. The only alternative is to hold the argument in contempt as a studied and cynical affront to our national intelligence.

In our foreign relations we can recognize and hold relations with monarchies, dictatorships and republics, with slave States and free nations, with every variety of race and cultural development. No American statesman would dare to make the political form of any government or the economic system of any nation the basis of a denial of diplomatic recognition and intercourse. Secretaries Hughes and Kellogg were as careful as Secretary Colby to emphasize that our policy involved no such infantile innovation in world politics. Russia can adhere to the Soviet form of government, if it so pleases, and it can develop communism to its ultimate limits, if it so pleases, and still gain recognition. All that it has to do is to abandon its avowed hostility to other nations, including our own, which do not desire, and will not have thrust upon them, either sovietism or communism. Let the Soviet government abandon its policy of promoting world-wide revolution, either directly or thru the instrumentality of the Communist International, let it manifest the international good-will which has invariably been the requisite condition for admission into the family of nations and recognition will be accorded to it.

In the words of Elihu Root, "recognition means that each government accepts the implied assurance of the other that it will maintain true friendship, true respect, true observance of the obligations of good neighborhood. . . The fundamental doctrine of the men who govern Russia is that it is their mission in the world to overturn and destroy the government of the United States, of England, of France, of all the civilized nations

of the Western World. . . The act of recognition would be a formal and a solemn lie, a false pretense of accepting the obligations of the Bolshevik rulers of Russia to observe friendship to the government and people of the United States."

That is the essence of the matter. To enter upon such an agreement with the Soviet government is incompatible with our national self-respect. The case is without precedent, for there has never before in the history of civilization been a government which on the one hand openly proclaimed its intent and purpose to be the overturning and destruction of the social and political institutions and the economic systems of other nations, while on the other hand it demanded that the governments of those other nations accord it recognition as a friendly power, grant it diplomatic privileges and advantages which are universally reserved for friendly powers and universally withdrawn from any power which commits unfriendly acts. It is futile and vain to argue the matter; recognition of Soviet Russia would be shameful self-abasement.

With amazing effrontery, or amazing stupidity—it is hard to decide which—the pro-Soviet advocates tell us that, even if the Soviet leaders are hostile to our institutions, and even if the Soviet régime does inspire and direct propaganda in other nations for the overthrow of their economic and political institutions, and would do so in this country thru abuse of diplomatic privileges if these were granted to them, the United States ought, nevertheless, to grant recognition to the Soviet government and accord it those opportunities. Failure to do this, they say, is evidence of a lack of faith in the stability of our own institutions, a sense of weakness and fear that propaganda will destroy our political and economic system. It is a curious argument. It does not require answer from a statesman; any psychiatrist can explain it. Our scientific culture, our sanitary and medical forces and resources are ample to enable us to cope with an

outbreak of bubonic plague, let us say. Is that any reason why we should admit people suffering from the disease thru our seaports to spread infection? Must we say that the danger of a great epidemic is small because we have the means to deal with the epidemic before it becomes great? To state the question clearly is to expose its absurdity.

Our refusal to recognize the Soviet government arose from our consciousness of strength, not from consciousness of weakness or from fear. In one country after another statesmen have expressed their admiration and envy of a policy they dared not emulate because of internal weakness in their own countries. Our Communist movement is a negligible quantity. It has no political significance. Our labor movement, led by the American Federation of Labor, and incomparably the most efficient of all the national labor movements, has from the first been a strong bulwark against Bolshevik propaganda in this country. It is not involved politically as the labor movement is in all the leading countries of Europe, nor compelled by the nature of politics to compromise and placate extremist minorities. When the Colby note was written the United States was the only great power which was in a position to shape its policy with a sole regard to international order and well-being, to be guided by the highest and best traditions and principles of international law and the comity of nations.

We have not attempted to apply to Soviet Russia any new principle. We have not required of the Soviet government, as a condition prerequisite to its recognition, any act or undertaking which is not implicit in every act of recognition of a foreign power in our history and, what is more significant, is clearly and universally recognized as the requisite condition for the continuance of diplomatic relationships however long established.

Suppose that Mr. Ramsay MacDonald and his principal associates in the British Cabinet belonged to a poli-

tical organization similar in character to the Communist International, which not only claimed but actually exercised the power to control and direct the action and policies of the Cabinet. Suppose this organization were international in scope with branches in many countries, including our own, over which the central organization claimed and exercised the same jurisdiction and control as over the Cabinet. Suppose, further, that Mr. MacDonald, Mr. Henderson, Mr. Thomas, Lord Passfield and other important members of the Cabinet also held important positions in the councils of the international organization; that this organization by formal resolutions and published proclamations declared its hostility to this country and its institutions, avowed its intention of promoting a revolution here, and called upon its members in this country, some of them our own citizens, to institute agitation and strikes for revolutionary purposes and to incite conflicts between the white and colored races for the same purpose. That would be a state of affairs exactly parallel to that which obtains in the case of the Soviet government.

Now suppose that Mr. MacDonald and his associate Ministers, while adopting a perfectly correct manner toward our government when speaking in Parliament and in formal communications, nevertheless, in their capacity as members and officials of the international organization, acted in accordance with its policy as above described, does anybody believe that we should maintain diplomatic relations with Great Britain upon any terms less than the complete severance of the British government from the international organization, and the unreserved repudiation of that organization and its hostile policies by the British government? The President of the United States who dared tolerate such an affront and failed to dismiss the British Ambassador would be impeached as fast as our constitutional procedure permitted.

We are told that conditions have changed since 1920 to such an extent as to render obsolete the policy based upon the then prevailing conditions. That argument is advanced, in varied formulas, by all who favor recognition of the Soviet régime, no matter for what reason. There have been changes in conditions since 1920, both in Russia and in the world at large. The Soviet régime has outlasted all expectations and predictions—even those of its own greatest leaders. Contrary to the expectation of its followers and its foes alike, the régime has managed to exist and to function despite the non-appearance of the world revolution upon which it was supposed to be completely dependent and without which, friends and foes believed, it could not exist. So much may be admitted while retaining a sense of proportion and without accepting the fairy stories of propagandists on either side. There is undoubtedly less anarchy in the government than in 1920. There is also greater technological efficiency.

If the matter were in the least degree pertinent to our discussion, instead of being wholly irrelevant, we might profitably devote some time and space to the discounting of some of the romantic nonsense that has lately been published in the famous "Five-Year Program" of the Soviets. The naive assumption that mere multiplication of factories and railroads shows economic growth and progress indicates ignorance of economics that is almost abysmal. During a large part of the eighteenth century Russia under the Czars was the theatre of a colossal program of palace building and dock and harbor construction. That was a program arbitrarily designed by the rulers and imposed upon the nation; it did not develop naturally from the life and needs of the people. A despotic government with slave labor to depend upon had no need to count the cost of anything. Much of the industrialization thus far achieved in connection with the "Five-Year Program" has been of the same uneco-

nomical character as the useless "improvements" of the eighteenth century.

Moreover, thoughtful economists, including many whose sympathies are with the Soviet régime, have been calling attention to the increasingly serious problems arising from the excessive commitments of the Soviet government to its foreign creditors. While thus far it has managed to make the required payments upon its obligations, it is well known in financial circles that the Soviet government is finding payment increasingly difficult. Then, too, there is the serious discrepancy between the officially published exchange rate of the chervonetz, as on a par basis of two rubles to one dollar, with the fact that the actual exchange in Moscow—effected thru "bootleg" channels for the most part—is on the basis of from ten to twelve rubles per dollar. In Berlin and other European capitals the actual exchange rate during July ranged from eight to twelve rubles per dollar.

The sole purpose of these observations upon the romantic accounts of Soviet Russia's economic progress is to suggest caution. Our refusal to grant recognition to the Soviet government was not based upon any theory that it was incapable of efficient functioning, or that it was weak and inherently incapable of developing strength. It was based upon the fact, which no spokesman or apologist for the Soviet régime has questioned or denied, that the central aim and purpose of the Soviet government, avowed by its responsible statesmen, is to promote world revolution and bring about the overthrow of all other governments, including our own. That fact makes it unfit for confidence and trust. Its own choice has placed the Soviet régime beyond the pale. Recognition and the friendly relations which are derived from recognition are impossible between us and a régime which we can never trust and which can never trust us.

True, other nations have recognized the Soviet government. In the main, they have adopted that course

because they were compelled to do so by internal political weaknesses from which we were and are happily free. Great Britain would never have recognized Soviet Russia were it not for the fact that its organized labor movement is political in its character, with Communists constituting a disturbing element. That and the Soviet menace to India compelled British recognition, as more than one British statesman has admitted. France, too, with a government politically unstable because of its many political parties and groups, a condition giving to its Communist elements a dangerous power, had to shape her policy according to her inherent weakness.

This view of the causes determining the action of the British and French governments in recognizing the Soviet government may be disputed and rejected, of course, but none can deny that the experience of both nations has amply sustained the contention of the Colby note that the Soviet government is incapable of honorable friendship with the government of any capitalist nation. In both Great Britain and France actual experience has made it necessary to debase diplomatic intercourse as it never has been debased by either nation. If any one doubts this statement let him explain the famous Arcos raid in London and the scandals attendant upon the espionage maintained over the Soviet Embassy in Paris. There is hardly the pretense that Soviet Ambassadors are trusted as the Ambassadors of other friendly powers are trusted. Belief that the Arcos raid was a simple incident is evidence of subnormal political intelligence. It was the logical result of a long sequence of abuses by Soviet agents without a parallel in modern diplomatic intercourse.

Our Russian policy is the product of political realism. We have no romantic illusions. Precisely as any self-respecting individual may buy from or sell to other individuals with whom he refuses to hold friendly social relations, and for whom he has scorn and contempt

in social life, so as manufacturers and traders our citizens carry on such trade with Russia, thru the existing government, as they find profitable, yet insist upon our own government imposing an effective barrier against the recognition of the Soviet government—a power which we despise as thoroly as we respect the Russian nation itself. Any departure from our policy in this respect is politically impossible.

AMERICAN RECOGNITION OF RUSSIA: WHAT IT WOULD MEAN TO EUROPE¹

During the years 1920 and 1922 there was much discussion in Europe of possible “advances” toward Soviet Russia—or rather of Russia’s advances toward capitalistic Europe. At that time one heard much the same arguments for the “normalization of relations” with the Red Empire that are being put forward in the United States today by people who believe it an opportune moment for giving new impetus to the movement for a Soviet-American rapprochement. In those days too there were people who took “the world view” and suggested the advisability, not to say the necessity, of “laying less stress on points of difference.” Lloyd George urged several European chancelleries to strive for some relationship with the Soviet Union which would “take account of economic facts” and be determined by “considerations of common sense.” The German Republic, for its part, actually “turned East” and negotiated the Rapallo Treaty at the Genoa Conference—the first definite manifestation of a trend (then more or less general in Europe) toward readmitting Russia to full participation in European life. The year 1924 saw several formal recognitions. France, Italy and England hurried to get there first. The Soviet Union had already been in existence seven years. The chancelleries of

¹ From an article by Paul Scheffer. *Foreign Affairs*. 9:27-41. October, 1930.

Europe regarded it, economically as well as politically, as "comparatively stable." Ministers and representatives were sent to Russia, duly accredited, and were introduced with all ceremony to the President of the Soviet Union, Kalinin. The Soviet Union was just as punctilious. It sent its diplomatic spokesmen, and they made their regulation bows before kings and presidents. "Normalcy?" What could have been more normal?

Just a year before *de facto* relations became official (in 1923, that is), the British government had had occasion to send an ultimatum to the Soviets on the subject of the revolutionary propaganda emanating from Moscow, which was causing unrest in India and Afghanistan. And now in December 1924, at the very time when an English Labor government had recognized the Soviets, Stalin was at Tiflis, outlining a great plan of campaign for the Third International to promote a world revolution. Economic Europe, he there contended, had reached a stage of stability, tho, of course, only for a limited time. Locarno was in fact on the horizon, as well as the Dawes Plan, and in the economic sphere signs of recovery from the Ruhr crisis were everywhere apparent. It was therefore necessary, Stalin proceeded, to attack England by an indirect route, for the cornerstone of the capitalistic system must be shattered first of all. China was ripe for revolution. The upheaval, once launched from there, would spread to India. English business, at the very least, would forthwith be thrown into confusion. Capitalistic Europe as a whole could be reached only in that way—by a detour thru the "colonial and half-colonial world." As soon as the center of capitalism had been shaken, the direct attack, as prosecuted between the years 1918 and 1923, could be resumed.

Down to the spring of 1927, when the Kuomintang shook off Bolshevist influence, Moscow assiduously pressed its ideas on China; toward the end of 1926,

indeed, they seemed to have become the preponderant force in that country. This was all the working out of the Soviet plans announced by Stalin. It is accurate to call them Soviet plans and not only plans of the Third International, because Borodin, and the military representative of the Soviet Union in China, Bluecher-Galin,⁸ had been receiving their orders from various sources, among them a committee made up of Chicherin, a member of the G.P.U. named Jagoda, the chief of the Far Eastern Department of the Foreign Commissariat, and, finally, an officer of the General Staff. Karakhan, the Soviet representative in China, openly preached revolution in Peking. During the summer of 1925 the principal cities of China were stirred with well-organized and often bloody demonstrations on the part of native Chinese, which tended, according to a unified plan, to rouse uneasiness in the whole country. In all this the initiative came from Moscow.

In England itself a general strike broke out in the summer of 1926. It soon collapsed; but it was shortly followed by a more protracted miners' strike. In both episodes Moscow took ardent and unconcealed interest, both with money and encouragement, and Soviet agitation in England was pushed untiringly and intensively. The British government broke with the Soviet Union in May of the following year. The rupture was based on irrelevant issues, but it was unavoidable in view of all that Moscow had been saying and, in its own peculiar ways, doing. In 1929, exclusively under pressure of internal political circumstances, the newly elected Labor government resumed relations with the Soviet Union. On the English side it was explained that this was done in consideration of a Soviet promise to abstain from revolutionary agitation in India, an explanation which the official Soviet press at once hastened to deny.

⁸ The same who commanded the Red armies on the Manchurian frontier during the Russo-Chinese conflict of 1929.

So much, briefly, for the English experience with the Soviets after the resumption of "normal" relations.

The treaty signed at Rapallo in 1922 between Germany and Soviet Russia involved (to judge by what the signatory governments themselves said) not only a restoration of "regular relations" but a political rapprochement in answer to the situation created by the Treaty of Versailles. In January 1923 the French marched into the Ruhr. Moscow at once saw itself in danger. But this was a purely political point of view, and it lasted only for a few days. Shortly the policies of the Third International, the "will to world revolution," recovered their position as the center of interest. The Russian Communist Party now foresaw that the result of the French invasion would be the collapse of German industry and a period of economic depression all thru Europe. It was convinced that, provided the situation were properly handled (handled, that is, from Moscow), there were genuine prospects for a revolution in Germany. In the Ruhr area itself the Kremlin did everything possible to sharpen acrimonies between Germans and French, and actually fostered Communist outbreaks (with the connivance of the French garrison). At Moscow, during August and September 1923, a personnel was designated for the taking over of the more important industries in Germany the moment Communism should triumph there. In Russian schools the history periods were devoted exclusively to "the history of the Class Struggle in Germany." An official of the Foreign Commissariat, Kopp by name, went in the autumn to Warsaw—a very striking fact at just that moment in view of the strained relations between Poland and her neighbor to the East. It was Kopp's errand to secure permission for the transport of Russian munitions (and, by intimation, of Russian troops) thru Polish territory over a period of a few days; and, in exchange for such permission, he stood ready to

give Poland a free hand in East Prussia.* The munitions and troops, of course, were destined to help the expected German revolution on to victory.

During the Ruhr crisis, the German government kept protesting privately to Moscow against the presence in Germany of numerous Russian agents of the worst type. It especially deplored two attempts made upon the life of General von Seeckt by a G.P.U. man named Sokolov, a veteran of the revolutionary army, who stood very close to Stalin. Stalin procured the man's release by securing the conviction for premeditated murder of two undoubtedly innocent German students in Moscow.

In the same year Germany reached a commercial agreement with Soviet Russia by which she supplied the Soviets with a credit of seventy-five million dollars. Numbers of German engineers and master mechanics went forthwith to Russia. Three years later (1928) came the so-called Schachty trial, a prosecution of Russian and German engineers who were alleged to have committed sabotage. The whole case was a "frame-up," made with a definite purpose. The importance which German industry had come to assume in Russia thru the work of its representatives there was now regarded as a possible danger to the prestige of the party; and a hue and cry against it was all the easier to raise since a deep hatred for everything German had existed since the year 1923, when the German people had betrayed Russia by not proclaiming a Soviet republic!

In August 1928 the Congress of the Third International which met at Moscow announced its now famous findings; that the "period of stabilization" in capitalistic industry and commerce had come to an end, and in particular that American prosperity was on the verge of

* The facts of the Kopp episode first became known to the author of this article while he was in Moscow, and he received confirmation of them in London last autumn. Meantime, Bessedowski, sometime counsellor to the Soviet Legation in Paris (the same who escaped by way of the garden wall when his life was threatened by an agent of the G.P.U.), has told the story of Kopp's mission twice, once in an article in a French newspaper and a second time in his book.

a serious set-back. The logical inference from this was that the time had come for resuming revolutionary activity in Europe itself. A number of "starting points" for provoking clashes between the proletariat and the civil authorities the world over (the United States included) were suggested. Instructions were sent to all countries in which there were parties affiliated with the Third International, calling for demonstrations of the unemployed on March 6 and for active celebrations on May Day ("World Proletariat Day") and on the first of August ("World Peace Day").

The direct bearing of all this was made clear by the following episode.

On the first of May, 1929, Voroschilov, the Soviet War Commissar, shouted loud enough to be heard by the sixty thousand people gathered in the Red Square that the proletariat of Berlin had resolved to defend its rights with its blood and to make a demonstration for the world revolution on that very May Day. May Day assemblies had been forbidden in Germany in order to avoid clashes between Communists and National Socialists. Voroschilov, therefore, was evincing unusual disregard for the German government, since the speech was made in the presence of the German Ambassador and the whole diplomatic corps, which had appeared, as a usual show of courtesy, at the great Red festival. In all this, Voroschilov was directly reflecting the conclusions reached by the Third International during the previous year. Violent demonstrations against capitalistic Germany straightway broke out in all Russia, and the instructions issued to the party explained that in view of the prospects of a determined revolutionary effort in Germany the question of maintaining diplomatic relations with that country had dwindled to insignificance. In the economic field some damage was to be expected, but this would be offset by the imminent reconciliation with England and by improved commercial relations with the United States. It

was evidently the idea of Moscow that the necessary commercial support for a vigorous revolutionary offensive on the Continent, where the nations might have recourse to commercial counter-attacks, was to be supplied by the Anglo-Saxon countries.

By the autumn of 1929 Moscow came to see that it had pushed the "Red Front" forward too far and too fast. There was a show of retreat; but the negotiations which have since been resumed with Berlin (at the instigation of the Soviets) indicate that the Soviets are as persistent and stubborn as ever; for these negotiations have proved a failure, tho this is denied by both parties. How closely the Soviets' political and revolutionary activities abroad are still associated—how, in fact, they depend the one upon the other—may be seen by the appointment as secretary at the Berlin Embassy of a certain Dr. Goldstein, a man already celebrated in Soviet circles for his achievements as an agitator, and whose doings in the Balkans are so interestingly described by Bessedowski. According to a recent press report, three members of the Soviet delegation in Berlin have just been arrested for revolutionary intrigues.

The experiences of England and Germany in dealing diplomatically with the Soviets have been sketched here merely as representative of the outcome of many similar experiments. Much the same would have to be said of France, for example, or of Austria, Poland, Lithuania, Estonia and Finland. Especially interesting are the cases of Mexico and some South American countries, but it would take us too far afield to describe them here. It is always the same story: impeccable formal relations with the Soviet government, accompanied by a continuous revolutionary agitation by the party, either directly or thru the Third International—this agitation unembarrassed by the government or else directly inspired by it. All diplomatic representatives have to consider themselves as instruments of the party as well as of the

official Soviets. The duplicity of Soviet diplomacy as regards the "bourgeois" states is indeed apparent.

This duplicity has various aspects in reference to the actual character of the normal relations which the Soviet Union is supposed to entertain with the "capitalistic" states. We shall not dwell too long on the moral factor, tho the states which have to put up with Soviet double-dealing undoubtedly lose dignity. As social questions play a considerable role in most of those states this fact cannot be considered unimportant.

There is a second and more practical question. To what extent is the security of the bourgeois states endangered by Soviet double-dealing? This is a favorite subject of political discussion the world over; and, indeed, it is not an easy matter to decide.

The problem has two aspects. It is a question not only of security in the absolute sense—in the sense of danger to the existence of the present capitalistic régimes; but also of security in a relative sense—to what extent is a nation exposed to economic mishaps and losses in assets and credit by reason of the economic disturbances which Moscow is always trying to provoke by way of gradual preparation for an eventually decisive blow? The fact, for instance, that there were four million Communist votes cast out of a total of almost twenty million voters in the last national elections in Germany gives no positive gauge of the actual power of the revolutionary party in that country at the present time, or of the power it might have at some future time were special circumstances to open up real prospects of success for revolutionary action. England, to take another example, is today free, or virtually free, of Communism. But that country has good reason to study the situation in her Asiatic colonies with the closest attention, because recent happenings in China have shown that Communist influence there, tho denied by great authorities, must be regarded as endemic, since it raises

recurring waves of popular excitement and disturbance to business. Present economic conditions the world over have increased the inflammability of political opinion among the masses. Efforts to overthrow the present social system may prove abortive. Nevertheless the effect of them on the economic situation might well be to make existing conditions worse and to hamper recovery.

In none of the conversations about the future of Communism which the writer has had recently with European and American observers has he heard reference to a third point which considerably complicates the two just mentioned. "Complicates" is perhaps too mild an expression. This third factor is really important enough to give the whole problem an entirely new setting. It is as follows.

At the decennial celebration of the Soviet Republic in November 1927, it was first suggested, with full official responsibility, that the Red Army expected to play a decisive role in future Communist revolutions in foreign countries. It was explained at that time that the Red Army was designed to go to the support of nascent revolutionary movements abroad and, combining with these, to set up new Soviet states and assist in overthrowing existing capitalistic régimes. That the powers at the Kremlin had long had this in mind is attested by such events as Kopp's mission in Poland; and Stalin expressed himself to the same purport in a conversation with the author of this article toward the end of January 1923. Not till 1927, however, did the Soviet government feel itself in a position to impart this idea to the Russian masses, regardless of diplomatic consequences with countries which might consider themselves menaced thereby.

Ever since that 1927 pronouncement the concept of a "strategic unity" prevailing between Red Army at home and Red Revolution abroad has been constantly kept in the public eye in Russia, besides being assiduously cultivated in the minds of the General Staff and among the directing members of the Third International. There

exist several scientific treatises on the strategic problems involved in this idea of military and revolutionary co-operation. This Soviet régime evidently has a very low opinion of the capacity of the bourgeoisie abroad to grasp the significance of the plan. The Soviets, indeed, operate systematically on the principle that the ruling classes in bourgeois countries—far removed, as a rule, from Soviet fanaticism or, if you will, from Soviet idealism—will not take them seriously.

The chances of revolution unquestionably become much more serious in view of this plan for military co-operation. Despite the country's exhausted condition, the Red Army is always being strengthened; no sacrifice is too great. The Soviet public is constantly fed reports about the alleged dangers of war—a well-known tactic on the part of those who desire war. The younger generation is being reared in a strictly militaristic fashion. One of the now sanctified dogmas handed down by Lenin teaches that inevitably war must one day be waged by the capitalistic countries against "the only socialist state in the world." One must have breathed this atmosphere, have watched develop this mixture of warlike spirit and revolutionary enthusiasm, in order to grasp just what it means for the Red Army to be officially connected, and designed to join forces, with all revolutionary movements of the Communist variety in Europe, and for the Red General Staff to be coordinated with the leaders and agents of Communist parties abroad. The notion of cooperation rests on the premise that the chances of any particular Communist upheaval, especially in countries in the neighborhood of the Soviet Union, become immeasurably greater if they are not to depend on themselves alone. Without the Red Army they might amount to nothing—with it, everything. The idea supplies, furthermore, a strong stimulant to Communist parties in other countries (even ones far removed from Russia), especially to enthusiastic young elements. In 1928, just outside

Berlin, the Communist Party maintained a boys' camp which actually bore the name of the Soviet Commissar of War.

This situation must be taken into serious account in judging the prospects of a Communist revolution in Europe. It makes the question of propaganda from Moscow a matter of the first importance even tho, in the eyes of a diplomacy which either ignores it or faces it gingerly and reluctantly, it seems little more than an inconvenience to the daily routine. The strivings of the members of the League of Nations for security and peace are brought to downright absurdity by the presence in their midst of preparations for this new and extraordinary kind of war—a war fostered by unofficial forces and to be waged by official forces when the time is ripe.

One might ask why it is that the Soviets have so long been allowed to maintain a two-faced foreign policy; sometimes, indeed, after having shown their true face, they have even been allowed again to mask it (as in the case of England). The answer must be that political and especially commercial rivalries keep the European Powers, great and small, which are at present enjoying "normal relations" with the Soviet Union, from giving decisive expression to their annoyance at the Communistic agitation emanating from Moscow. Profits within limits are still possible in Russia, and a few of the specialized industries of certain countries have made enormous profits there. Still more important, in this connection, is a widespread belief in the great potentialities of commercial relations with Russia. It is interesting to note, however, that tho Germany sends more goods than any other country into Soviet Russia, yet these exports represent only 3 per cent of her total export trade as against 12 to 15 per cent before the war; and this 3 per cent is less than Germany exports to Denmark and Austria! The fact is that present conditions in Soviet Russia make her an interesting subject for speculation and discussion, but

that from a national business point of view she is a client of very uncertain value for Europe.

In the diplomatic sphere an important influence is doubtless exercised by the idea, of which the chancelleries of Europe can never be cured, that the doings of the Third International are the private affair of Russia, whereas diplomatic relations are always and everywhere what the phrase implies. This idea is reenforced by the feeling that after all the danger of revolution at the present moment is not very great. Moscow's own opinion in this matter is perhaps worth considering. Moscow says that it is a question of a long struggle; that genuine class-consciousness can spread thru the world only gradually, a little at a time; that already the efforts which have been put forth have brought unexpectedly large results in important countries like Germany and France; that the evolution of capitalism, with its huge trusts and the progressive elimination of small and middling enterprise, verifies the predictions of Karl Marx as to the causes of the coming revolution. It should be added, further, that to the extent of their ability the Soviets have intensified their agitation from year to year. The fact that they may have abandoned a few revolutionary objectives is of no significance—quite the contrary!

The presentment here made runs counter to the hopes that were set glowing at Genoa; but it corresponds to the course of actual events. At the Genoa Conference there was much talk of the "fresh air" which improved business relations were to let in upon the stuffy dogmatism of the Reds. But the fact—a mere fact, but as "hard" a fact as one could desire—is that during the years since Genoa the ruling party in Russia has wholly escaped the influences which the importers of Western methods were supposed to set in motion. Not only that. With the greatest energy and purposefulness it has succeeded in imposing its doctrines on 156 millions of Russians, and

has kept them from being in any way trained by Western ideas in spite of a considerable increase of economic relations abroad. From the very outset the Red leaders were perfectly aware of the dangers of contact with Western capitalism. They were much quicker to grasp the threat that capitalism held for them than was the bourgeois West to understand the dangers inherent in contact with the Soviet Union. They all along have understood that they can keep in the saddle only by pursuing a radically Bolshevik policy, that any concessions to the capitalistic system would spell their own ruin, that if any heterodox forces were allowed to grow up in Russia the Red régime would soon be overwhelmed.

We still are not in a position to draw any conclusions as to the effects that American recognition of the Soviets might have in Europe. We must first describe more explicitly the situation existing in the Soviet Union, and the effects which, given that situation, recognition would produce there.

We have already said that the ruling party in Russia is determined to go forward energetically along the road prescribed by its platform, that this, indeed, is a matter of life and death to it. Its object is not merely to promote world revolution—after all, this is only one part of its general program. In Russia itself the party has worked relentlessly to bring into being as quickly as possible the “pure, proletarian, one class state.” After reducing the Russian bourgeoisie to a mere shadow, it has in the last two years begun to annihilate the economically independent peasantry, even at the cost of serious economic sacrifices.

It is important to observe the exact circumstances under which this policy has been worked out. Its leader, fighting in the front line, has been Stalin. Against him stands arrayed a large number of party comrades, marshalled by Rykov, the President of the Soviet Cabinet, famous for his recurring half-yearly “recantations.”

This opposition explains itself by saying that the present tempo of socialization in Russia is too rapid and involves serious economic and political dangers. Its leaders are not any less earnest in their Communism than the people in Stalin's "Center"—they merely differ with him as to tactics. They also attach greater importance than the Stalinists to the perils inherent in too open and too vigorous a promotion of the Third International's program for world revolution.

An article in the last number of *Foreign Affairs* described the delicacy of the situation in which Stalin finds himself as the result of this opposition. It is really much more serious for him than official reports and the censored newspaper articles of foreign correspondents betray. Suffice it here to remind ourselves that in this struggle over tactics the Stalinists make much of the fact that neither the agitation conducted abroad nor the extremist domestic policy of the Soviets, each of which disturbs so profoundly the economic unity of Europe, has had any perceptibly untoward consequences in Russia's diplomatic relations with foreign countries, excepting the transient rupture with England. Stalin has availed himself of this argument most effectively. There can be no doubt that the resumption of relations with England, for example, strengthened Stalin's position in every respect. There followed the Communistic excesses of the winter of 1929-30.

In Moscow the United States is always referred to as "the greatest capitalistic state." This emphasizes the commercial aspect of the question of American recognition. But the political aspect is far more important. Suppose, for example, that the Soviet Union were to obtain a loan from American financiers. The important question would then be as to what influence this loan would exercise on the conduct of Soviet foreign policy. It is plain that in the domestic field the Soviet leaders would carry on their policy of socialization at a more rapid tempo; it

may well be, indeed, that Stalin's plan is unrealizable without such financial buttressing. But have we the slightest grounds for believing, after watching the Soviet Union in action during these past thirteen years, that such a loan, or any kind of economic assistance, would weaken, let alone break down, the revolutionary program of the Soviets abroad? Have we the slightest indication that the Soviets would repay "good will" with similar coin, and not continue to regard such phrases merely as a hypocritical disguise for capitalist greed? Has the existence of commercial relations with bourgeois countries in any way changed the policy of the Communist Party, either at home or abroad? Has it not, rather, served as a basis for military and revolutionary preparations, often against the very countries with which such friendly relations had been established?

We ask these questions because many people are inclined to expect political miracles to grow out of economic relationships.

Any contract which a "capitalist" makes with the Soviet government is looked upon in "class conscious" Moscow as an obeisance on the part of that capitalist before the all-conquering proletariat, and it is so interpreted to the Russian people. This would be true, par excellence, of recognition by the United States. For some eleven years now the American Republic has refused recognition on ethical grounds. Moscow would infer from a change in the American attitude that economic considerations had forced the United States to give up its opposition to the Soviet government; for no one knows better than the people at Moscow that the ethical argument against recognition is as well substantiated and valid as ever. They would promptly attribute the change of policy to America's economic weakness and would joyfully repeat for the thousandth time their well-known slogan: "The most effective ally in the battle of the first socialist state for existence and for final victory will be the greed of the capitalists."

But more important than all this would be the consideration that Moscow, in view of the peculiar mentality that prevails there, would see in diplomatic recognition the de facto recognition or acceptance of its principles and of the activities which flow from them. Moscow would attribute America's change in attitude to the growing power of the Soviet Union, or at least to its growing prestige, and to a progressive weakening on the "bourgeois front," of which there is nowadays much talk in Russia. When the great impulse toward recognition swept over Europe in 1924 the inner character of Soviet policy was still in doubt. But now, after all that has taken place in the past six years, it is unmistakable. From the Moscow point of view, then, it would be a very different thing for America to accord recognition today than it was in the case of the governments which, between 1922 and 1924, belonged to the optimistic school of Lloyd George and could still claim a right to entertain illusions. Recognition especially in America, would be taken as a certificate of freedom to continue in the same old way.

Under these circumstances recognition by America could only provoke Communist Russia to greater aggressiveness and enterprise in its attacks on the bourgeois European countries and their colonial points of weakness: in other words, upon these very European governments (also commercially important to America) which maintain official relations with Moscow. But we must not consider that this would be exactly an act of bad faith, for Moscow itself says quite frankly that such relations are only "provisory," that they are nothing but makeshifts designed to serve till all such expedients are rendered unnecessary by the outbreak of Communist revolutions.

Most of the moral and economic profit which would arise out of recognition by America would accrue to the Red Army. We have already seen what, in the eyes of the Soviet rulers, that might mean for the peace

of Europe. War with the bourgeois Powers is to them as inevitable as the world revolution itself. Recognition by the United States would convince them that they are relatively secure against untoward results of revolutionary activity. They would conclude that they are even more able than they thought to choose unhampered the moment for the "inevitable."

There is nothing speculative about the policies here described. They belong to the realm of fact. They already have left traces in history. They are not to be brushed aside or overlooked in deference to any vague belief in the omnipotence of what we call "common sense," or in the softening, suasive influences of "good will" and "fresh air." They would all acquire greater significance, greater activity, thru American recognition.

Turning to the direct effects which American recognition might have within the Soviet sphere itself, we may say that it would be regarded as a personal victory for Stalin, and just the sort of victory he needs. It would be taken as confirmation of his claim that his ruthless policies really do no very great harm abroad. The next five years, so far as can now be seen, will decide the fate of the gigantic overturn which he and his partners are now trying to force thru. They will likewise decide whether the cultural and social unity of Europe as we know it is really to pass away. The fate of the Russian people today delivered over to a group of violent dictators, can thus be affected to a very material degree by America's decision to give or withhold positive approval of Stalin's measures. In Russia itself that is the principal significance which would be attached to American recognition.

And it would have an identical significance for the uncertain masses in Europe. Their attitude toward the proletarian régime in Russia has been largely determined according as the situation of the Red experiment was favorable or unfavorable. The acceptance of official relations by the United States probably would not raise

Soviet prestige very much in the eyes of the European bourgeoisie; but it would raise it enormously among the masses, silencing many criticisms and removing much skepticism. It would give fresh energy to the influences which Moscow exerts in revolutionary circles in Europe. And certainly the effectiveness of these would be the greater at a time like the present, when the economic situation of Europe—and indeed of the whole world—is a matter of such concern and when the future is still so doubtful. The current depression, in Europe as well as in America, accompanied by grave unemployment and a fall in commodity prices, was foreseen by Moscow as early as 1928 at the Congress of the Third International, and the Soviets have based their calculations ever since on a long duration of present conditions. Moscow's orders today are to do every thing possible to make the crisis continue and to make it worse. The German Communist Party fought the simultaneous reduction of wages and industrial prices in Germany on this ground alone—and this was the reason for the breakdown of the plan.

Not since the days of President Wilson has America been confronted with a decision fraught with such consequences for Europe as is involved in this question of Soviet recognition. If America decides upon recognition, it may hereafter be necessary in history to say that in 1931 she made her deliberate choice between bourgeois Europe and the Soviets.

I must not be left in the position of saying that it is altogether a one-sided affair. In the event of recognition, the American government might not be satisfied to carry on "normal relations" in the abnormal manner that other countries have had to put up with. Such a refusal would presuppose America's willingness to go to any lengths in the protection of her rights against the familiar Soviet tactics. If America did not evade the facts, if she refused to tolerate the existence in her midst of the Third International under the protection of

Moscow, or if she insisted on the same freedom of movement for her representatives in Russia that agents of the Soviet régime enjoy in America (to mention only two among many points), recognition might have effects opposite to those of the similar experiments tried by other nations. Moscow would find it difficult, perhaps, to give the nationals of other countries worse treatment than that accorded Americans. To this extent all would profit, and in this possibility lies the reason why so many Europeans who do business in Russia (and particularly German business men) would welcome American recognition.

But the United States could adopt this stern sort of policy only if she grossly underestimated the difficulties of applying it. This is a type of error, to be sure, that often results in great things. But error for error, it would be much more dangerous to believe that Russian Bolshevism is not resolved to go on its way as it has been going, regardless of all external or hostile forces. It must do so if it is to survive. All the devices of the "capitalists" to tame it and make it fit into their system are well known in Russia. Moscow yields to them momentarily when it thinks them dangerous. When it judges them harmless, it laughs at them and turns them to its own purposes. In its own eyes the Soviet Power is already victorious. The fact that it has been of the same opinion during each of the thirteen years past is one of the secrets of its greatest strength, and one of the reasons why it is so dangerous to reason about its future as tho it were governed by everyday laws of probability.

THE COMMUNIST MOVEMENT IN THE UNITED STATES¹⁰

From the drab office building at 26 Union Square in New York City, huge banners in red and white appeal

¹⁰ From article by R. S. Kain. *Current History*. 32:1079-84. September 1930.

to the revolutionary masses to demonstrate "in defense of the Soviet Union" and to "fight police terror, unemployment and war preparations." The structure faces the traditional rallying ground of the city's proletariat, scene in recent months of Communist demonstrations and clashes with the police. It serves as headquarters for most of the Communist organizations of the metropolis.

Opposite the entrance stands a patrolman. He scrutinizes with a hint of belligerency the strange medley of the city's heterogeneous nationalities passing in and out—garment and fur workers, an occasional strapping Negro, serious-looking youths. They talk excitedly, for the most part in foreign tongues. Here and in the less conspicuous offices of the Workers' (Communist) Party of America, uptown in Harlem, centres the militant propaganda which has led to a Congressional investigation of Communist activities.

Some patriotic citizens see in these activities a direct threat to the stability of the Republic; others no less sincere consider them the harmless vagaries of congenital radicals, the hopelessness of whose cause is evidenced by their extravagances. To gauge the present significance of the Communist movement in the United States, it is necessary to review its history. It was born in New York City in 1919 as the Left Wing of the American Socialist movement. Seizing upon the Bolshevik program as a proved method for the overthrow of capitalism, the Left Wing insurgents advocated the destruction by force of the "bourgeois State" and its replacement by a proletarian dictatorship. They bitterly attacked the "dominant moderate socialism" for its refusal to abandon legal political action, but their efforts to capture the party machinery and force their program upon the regulars failed partly because of factional disputes within the Left Wing. In the Summer of 1919, only a few months after its organization, the Left Wing split into three warring groups.

All three factions were represented at the first Left Wing convention, held in Chicago in September, 1919. The delegates formally endorsed the theory of the Russian Communist doctrinaires that the dissolution and collapse of world capitalism was imminent. In further accord with Communist teachings, they determined to organize the working masses in the shops and factories as the most effective means of precipitating the downfall of capitalism. With occasional modifications, these two principles have remained the bases of Communist philosophy and activity in America.

Three of the main tendencies of the Communist movement in this country were forecast by developments at the Chicago convention. Two rival Communist parties were organized; both voted to affiliate with the Third International, organized by Russian Communists with headquarters at Moscow, and the foreign-language federations emerged as the controlling party influence. Later, a fourth characteristic became evident. This was the tendency of communism to disrupt and destroy other radical or progressive organizations, both political and economic, which attempted to unite or cooperate with it in furthering what were considered common ends. These four characteristics are chiefly responsible for the present status of communism in the United States.

The propensity of Communist organizations to split into rival and often bitterly antagonistic groups, while common in most of the countries of Europe, reached its climax in the United States. James Oneal, in his book, *American Communism* (published in 1927), records that between 1919 and 1921 twelve new parties were formed by splitting, an average of one every ten months. Factional reunions and divisions have continued with almost monotonous frequency since then. The latest occurred in 1929, when the Workers' Party of America split into three groups, each proclaiming itself the sole repository of true Communist doctrine. The same distinction is claimed by the Proletarian party, a fourth

faction which has consistently withstood attempts to secure Communist unity. Repeated violent clashes between these groups testify to their bitter enmity. A Communist demonstration before the British Consulate in New York on June 28, 1930, developed into a battle royal between rival factions.

Party divisions are advocated by the Communist International and by some of the party leaders in the United States as essential to the "purity" of the movement. Other Communists consider them a source of weakness. Frequently they involve no fundamental difference as to Communist doctrines. Divergent opinions as to methods or abstract points of Communist philosophy, rivalry for leadership, and even racial antipathies, have precipitated splits. Those of 1929 represented local repercussions of the struggle between Josef Stalin, the most powerful figure in the Russian Communist party, and his opponents of the Left, led by Trotsky, and of the Right, led by Bukharin, Rykov and others. Expelled from the Workers' Party of America for "Left heresy," a group of Trotsky sympathizers headed by James P. Cannon formed a rival party known as the Communist League of America. Next to follow was Jay Lovestone, chairman of the executive committee of the Workers' party. He was deposed by the executive committee of the Third International because he agreed with Bukharin that Stalin's theories of imminent revolution, increasing radicalism of labor, and a crisis in capitalism were impractical as a basis of Communist activity in the United States.

Lovestone immediately founded another rival party, which he called the "majority group" of the Workers' party of America. He took with him a considerable section of the Workers' party membership, including such veteran leaders as Benjamin Gitlow, Bertram D. Wolfe, Herbert Zam and C. S. Zimmerman. Under William Z. Foster, who replaced Lovestone as the official leader,

the "regulars" of the Workers' party conducted an aggressive militant campaign during the Autumn and Winter of 1929-30. In accordance with Moscow's instructions to fight vigorously against both capitalists and Socialists, encourage "class war" and proceed on the assumption that capitalism was on the verge of collapse, they adopted tactics reminiscent of Communist violence in 1919. Foster's defiance of the New York City police during the unemployment demonstration of March 6, 1930, led to his arrest and conviction on a charge of inciting to riot. He is now serving a two-year term in prison in company with several of his lieutenants. To the intransigence of the movement under Foster's leadership may be attributed much of the present agitation for the restriction of Communist activities.

The divisions of the Workers' party in 1929 illustrate not only the schismatic propensities of the Communist movement in this country, but also its close dependence upon the Communist International, which in turn is controlled by the Russian Communist party. The chiefs of the Comintern have repeatedly exercised their power to determine doctrines and methods of the American movement, and their authority to do so is frankly admitted in the official publications of the Workers' party. The Russian Communist organ *Pravda*, on July 5, credited the recent activity of the American party to Comintern leadership and guidance. About the same time it instructed the American party to arouse a demand for universal unemployment insurance, develop Communist "cells" in the factories, mobilize the unorganized working masses for revolutionary aims while "boring from within" the American Federation of Labor, and bring the proletarian workers under the directive administration of the Communist party. Foster's group was further instructed to make the *Daily Worker* of New York City "a really militant mass newspaper" and to fight the "Right heresy."

The third characteristic of the American movement, evidenced from the time of the Chicago convention, is the predominant influence of foreign-born and alien elements. Mr. Oneal estimated that the average monthly membership of all Communist groups in 1923 was 14,866, of whom only 1,055 were members of English-speaking organizations. The party publications at that time appeared in a score of languages. At present about 80 per cent of the party membership is among foreign-born residents, according to Representative Hamilton Fish, chairman of the Congressional committee charged with the investigation of Communist activities. Available statistics indicate that roughly one-half of the active Communists of the country are drawn from foreign elements in New York City.

The first warning of the fourth tendency of American communism—its destructive influence upon other radical or progressive groups with which it establishes contacts—was furnished by developments within the Socialist party in 1919. The prolonged factional strife engendered by efforts of the Left Wing to seize control of the party press and machinery dealt the Socialist movement a blow from which it has shown signs of recovering only recently. The Farmer-Labor party, the third party movements of 1923 and 1924, and other political groups and trade unions had similar experiences. In July, 1923, by a sensational coup, the Communists, then counting less than 20,000 members, “captured” the convention of delegates representing several million non-Communist trade unionists and farmers that had been called by the Farmer-Labor party in Chicago. The object of the convention was to unite all discontented groups into a single political party. Shrewd leadership, discipline, and the “packing” of the convention gave the Communists control of the Federated Farmer-Labor party, founded by the convention as a rival to the two dominant political parties. The success of the Com-

munists, however, was short lived. Alienated by their tactics at the convention and their subsequent leadership, the farmers and trade unionists quickly deserted the new party, which collapsed within a year.

At St. Paul in 1924 the Communists by similar tactics gained virtual control of a second national convention called by the Farmer-Labor party of Minnesota. This second effort to launch a third party for the Fall election failed when the Communists were repudiated by the Late Senator La Follette. These two failures constituted a major disaster to the then thriving Farmer-Labor party. The Communists, deserted by the now thoroly disillusioned farm and labor organizations, polled only 33,076 votes in the Presidential election.

The Communist effort to gain control of the American labor movement produced similar results in the unions singled out for capture. In numerous instances the unions were divided into contending factions and diverted from their main objectives. Like the farm leaders, labor spokesmen declared that their interests were repeatedly betrayed by the Communists, who sought only to advance the revolutionary program of the Communist International. The American Federation of Labor led determined counter attacks against the Trade Union Educational League, the chief Communist propaganda organization in the labor movement. In 1925 William Z. Foster, organizer of the T. U. E. L., admitted that it had been forced underground in nearly every trade union in the country.

Communist efforts to gain control of powerful trade unions in New York City in 1926 and 1927 led to disastrous strikes and the formation of a united front among the trade unions against the movement. After a bitter struggle the Bolsheviks were driven from control of the International Ladies' Garment Workers' Union. They failed in their efforts to capture the other great garment union—the Amalgamated Clothing Workers—

altho many of its members were Russian born. Charles D. Wood, Commissioner of Conciliation of the Federal Department of Labor, testified before the Fish committee that the well-known Communist-led strikes at Passaic, N. J., in 1926, New Bedford, Mass., in 1928 and Gastonia, N. C., in 1929, were conducted primarily with the aim of stimulating revolutionary sentiment among the workers. All ended with the strikers worse off than at their start, he asserted, pointing out that Communist leaders had rejeced attempts to conciliate the disputes. He added that the workers involved eventually repudiated the Bolsheviks' leadership. The failure of the Communist effort to control the American labor movement was admitted by Moscow *Pravda* of July 5, 1930. In claiming 15,000 members for the Communist movement in the United States, *Pravda* stated that only 10 per cent of the total, or 1,500, were organized "within 140 factory cells," adding that "under such conditions the party cannot successfully lead the activity of workers in the various enterprises."

The characteristics of the Communist movement explain its inability to adapt itself to the economic, political and social conditions of the United States and its consequent declines in influence when the war conditions conducive to social upheaval were eliminated. The decline of bolshevism during the past decade is strikingly demonstrated by reference to the membership rolls of the various party factions. The present dues-paying membership of all Communist groups organized on a political basis is probably less than 10,000. At the high tide of Communist strength in 1919 the movement was conceded between 35,000 and 40,000 active adherents. An arbitrary estimate of the number of Communist sympathizers is four for each member who pays dues. That would give a present total of members and sympathizers of approximately 50,000, as compared with a corresponding total in 1919 of 200,000.

Pravda's claim of 15,000 members for the American party was ridiculed by Jay Lovestone in addressing a convention of his adherents in New York City on July 6. He reported that the total membership had declined from 8,689 in June, 1928, to 6,145 on January 1, 1930. To *Pravda's* assertion that the party had gained from 6,000 to 7,000 members in a recent recruiting drive, Lovestone replied that "such wild claims have not been made by even the corrupt party bureaucracy for months." The opposition leader's figures as to the present party membership approximate closely the estimate of 7,000 made by James Oneal before the Fish committee in New York City recently. Lovestone indicated that further declines may be anticipated as a result of the repudiation of his policies by the Communist International. "The new line forced upon our party has destroyed our roots, our connection and our base in the agricultural field," he said. His lieutenants were equally emphatic in describing the confusion existing in Communist ranks as a result of Moscow's policies.

Another indication of the status of the movement is the vote polled in recent elections. The Communist candidate for Mayor of New York City in the Fall of 1929 received only 5,805 votes. The votes for the Workers' party candidates in the Presidential elections of 1924 and 1928 were 36,386 and 48,228 (2.3 per cent in New York), respectively.

The decline of Communist membership commenced late in 1919 when the party's open advocacy of the overthrow of the government by force led to nation-wide raids under the direction of Attorney General A. Mitchell Palmer. It was estimated that 70,000 persons of alleged Communist or radical beliefs were taken in the Federal dragnet, several hundred of them being deported.

Driven underground, the Communists attempted to carry on their propaganda by means of secret societies. By February, 1920, according to Communist sources,

both the strongest factions virtually had ceased to function as political organizations. In 1921 the factions united to form the Workers' party of America and appeared above ground with a program sufficiently moderate to secure legal standing. The party organ, admitting the failure of its underground propaganda, stressed the necessity of carrying on the class struggle "on a platform that will meet the requirements of the law as actually enforced by the ruling class." A survey of the membership made in 1923 by John Pepper, representative in America of the Communist International, placed the total at 20,000. He reported nine daily and twenty-one weekly publications, with combined circulations of 90,000 and 70,000, respectively. James Oneal's estimate of the average monthly membership during the same year was 14,866. A report of the Workers' party membership for September, 1924, showed 16,000 on the rolls, of whom 4,350 were affiliated with trade unions. Then followed the decline recorded by Mr. Lovestone—8,689 members in June, 1928, and 6,145 on January 1, 1930. The present active membership is found mainly in the shoe, furniture and garment industries of New York City, the New England and Southern textile regions, the coal fields of Illinois and Pennsylvania and a few automobile centres.

Altho the future of communism as a political party in the United States appears worse than gloomy, it would be a mistake to infer that the movement is sufficiently harmless to be ignored. So long as it attracts even a small minority to its standard of violent revolution, it would seem probable that it will continue to obstruct American political, social and economic progress at vital points by stirring up class hatreds and strengthening the spirit of both reaction and revolution. Communist propaganda unquestionably tends to bring the government and its officials into disrepute among a section of the population. In their efforts to discredit the police, the Communists in a number of instances in New York

City and elsewhere have deliberately provoked police attacks. On other occasions, it is only too evident the police have provided them with unsolicited opportunities to win public sympathy.

Another problem is raised by the under-cover dissemination of Communist propaganda thru the so-called "innocents' " clubs, such as the American Negro Labor Congress, the Labor Sports Union, the All-American Anti-Imperialist League and the International Labor Defense. Organized by Communists, but with programs calculated to appeal to various non-Communist groups, these societies attract new members to the Communist fold thru more subtle forms of persuasion. Nor should the possibility be disregarded that in time of war or of acute economic depression, communism may offer a much more powerful attraction to the American working masses than at present. Finally, and not least important, there is danger that unwise measures calculated to curb Communist activities, may injure and pervert existing democratic institutions.

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